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# Latin America Report

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6 July 1984

## LATIN AMERICA REPORT

## CONTENTS

## COUNTRY SECTION

## INTER-AMERICAN AFFAIRS

NAMUCAR Responds To Accusation of Arms Shipment (LA NACION, 18 May 84) .....	1
---	---

## BARBADOS

Government Reports Cost of Living Increase (CANA, 10 Jun 84) .....	3
January Exports, Imports Record Increases (Irvine Reid; CANA, 2 May 84) .....	4
EPC Report Shows Export Earnings Down (Irvine Reid; CANA, 3 May 84) .....	6
Export/Import Traffic With CARICOM Noted (CANA, 7 Apr 84) .....	8

## BELIZE

Briefs	
National Budget	10
Unemployment Figures	10

## BOLIVIA

Sugar Yield for 1984-85 To Meet Export Needs (EL DIARIO, 26 May 84) .....	11
Santa Cruz Civic Leaders Lash Out at Lechin (PRESENCIA, 30 May 84) .....	13
Regional Labor Groups Challenge COB's Orders (EL DIARIO, 30 May 84) .....	15

CUBA

ICAIC Film Documentaries on Special Troops' Internationalists  
(Teresa Valdes; MONCADA, Apr 84) ..... 17

FRENCH GUIANA

Follow-Up on Immigration Commission's 30 Measures  
(LA PRESSE DE GUYANE, 13 Apr 84) ..... 19

GUATEMALA

Peace Commission Seen as Ineffective  
(LA RAZON, 23, 24 May 84) ..... 23

USAC President Coordinator Resigns  
Church Will Not Participate

GUYANA

State of Country's Economy Examined  
(Edwin Ali, Leon Walcott; CANA, 31 Mar 84) ..... 28

Briefs  
Bauxite Production Figures ..... 32

JAMAICA

Deputy Prime Minister on Trade Relations, CBI  
(CANA, 4 Apr 84) ..... 33

JMA Raps Government Exchange, Credit Policies  
(CANA, 22 Mar 84) ..... 35

Shearer Comments on New EC-ACP Convention  
(Reg Gratton; CANA, 3 May 84) ..... 37

Seaga Announces Cuts in Civil Service  
(Paget de Freitas; CANA, 25 May 84) ..... 39

MEXICO

Arrested Youth Claims Sole Authorship of 1 May Fire Bombings  
(Maria Esther Ibarra; PROCESO, No 394, 21 May 84) ..... 41

Controversial Defense Lawyer  
Other Detainees Named

Briefs  
Illegal Arms Shipment Seized ..... 47

NICARAGUA

Aeronica: Service, Expansion Plans, Iranian Cooperation (BARRICADA, 26 May 84) .....	48
ENAMARA: Beef Production, U.S. Market, Illegal Slaughtering (BARRICADA, 17 May 84) .....	51
<b>Briefs</b>	
Food Subsidies Burden Increasing	53

PERU

APRA's Prospects for Winning 1985 Elections Viewed (Manuel D'Ornellas; CARETAS, 28 May 84) .....	54
Sanchez' Election as APRA Vice Presidential Candidate Viewed (Benjamin Odriozola; EQUIS X, 28 May 84) .....	56
<b>Briefs</b>	
APRA, IU Campaign Strategy	58

SURINAME

Envoy to Netherlands Discusses Relations With U.S., Cuba (Henk Heidweiller Interview; NRC HANDELSBLAD, 26 May 84).	59
---	----

TRINIDAD AND TOBAGO

Central Bank 1983 Economic Report (Rudi Williams; CANA, 4 May 84) .....	66
Central Bank Says Debt Rose in 1983 (CANA, 7 May 84) .....	68

## NAMUCAR RESPONDS TO ACCUSATION OF ARMS SHIPMENT

San Jose LA NACION in Spanish 18 May 84 p 25 A

[Text] Paid Space

With regard to recent publications which have appeared in the media, the Board of Directors of the Caribbean Multinational Shipping Line, Inc [NAMUCAR], deems it necessary to explain:

1. That the operation of NAMUCAR has been carried out in strict conformance with the terms of its bylaws, acting as an instrument for economic and social development of the region, with the intention of stimulating an increase in our nations' commercial exchanges and economic integration.

2. That, as the bylaws stipulate:

Economic relations among states must be governed, among other principles, by those of mutual, equitable benefit, equal rights, non-intervention, and complete cooperation for development, as well as on the basis of the right that every state has to engage in international trade and other types of economic cooperation regardless of any differences in political, economic and social systems.

3. That the Board of Directors expresses its surprise at the statements made by the former general manager, regarding the carrying of weapons on ships of the company, because that alleged activity would have occurred during his administration. This surprise is heightened if one recalls that, when the insinuation to the same effect was suggested in El Salvador, it was the former manager himself who denied it, and claimed to the government of that fraternal country that the insinuation was false.

4. It is known that, at 1700 hours today (12 May), in a newscast on San Jose radio, it was stated that Jamaica had withdrawn from NAMUCAR.

The Jamaican representatives requested that it be stated expressly that they had no instructions to withdraw and that, in view of several articles which have appeared in the press recently, they wish to reiterate that the Government of Jamaica has no intentions of withdrawing from this entity.

5. The representatives of Venezuela have expressed their shock at what has been disseminated, and cite the concrete instructions from their government to continue rendering their assistance to NAMUCAR.

6. In the same tone, the representatives of the other countries which are members of the Caribbean Multinational Shipping Line, Inc, have also voiced their total support for continuing with this multinational effort.

Board of Administration of the Caribbean Multinational Shipping Line, Inc (NAMUCAR).

Litta Stewart Whitehorn, Identity Card No 7-052-054, Authorized Signature

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CSO: 3248/679

COUNTRY SECTION

BARBADOS

GOVERNMENT REPORTS COST OF LIVING INCREASE

FL112212 Bridgetown CANA in English 1710 GMT 10 Jun 84

[Text] Bridgetown, Barbados, 10 June (CANA)--Barbados' cost-of-living, as measured by the index of retail prices, rose by 1.7 percent in April, the government's Statistical Department said

The index increased by 2.4 points in April to reach 142.6 points. The rate of inflation for the 12-month period which ended in April was 5.1 percent, the government reported. Housing costs showed the fastest upward movement, 7.8 percent, during the month, responding largely to an increase of 23.6 percent for house rents. However, the effect of this was partially offset by the fall in the indices for household operations and supplies, medical and personal care, and clothing and footwear.

The transportation index rose by 5.3 percent following increases of 50 percent in motor licence fees, 33.3 percent in car registration fees, and 15 percent in wages to mechanics. For the third consecutive month, the index for alcoholic beverages and tobacco remained unchanged at 150.7 points.

A marginal increase of 0.8 percent in the food index was recorded as a response to the cyclical movement in the prices of vegetables, some of which increased by over 40 percent.

Despite the increase in the prices of vegetables, the prices of fruits, beef, and rice were lower during the month while no price changes were monitored for butter, margarine, cooking oil, cheese, eggs, sugar, milk, and animal feed.

"After the sharp increase in the medical and personal care index from 148.5 points in January to 161.3 points in February, there has been some general stability in prices in this group, maintaining the index at around 161 points," the government department said.

CSO: 3298/1144

## JANUARY EXPORTS, IMPORTS RECORD INCREASES

FL022115 Bridgetown CANA in English 2026 GMT 2 May 84

[By Irvine Reid]

[Text] Bridgetown, Barbados, 2 May (CANA)--Barbados' overall exports were up by 15.9 million dollars (1 Bds dollar; 50 cents U.S.) and imports by 7.4 million dollars last January, against figures for January 1983, the state-run Export Promotion Corporation (EPC) has reported.

Figures released by the EPC show that for January this year Barbados' overall exports totalled at 45.6 million dollars, compared with 29.7 million dollars for the same month last year.

The value of imports moved from 103.1 million dollars January last year to 110.5 million dollars January 1984, with the bulk of the imports representing food and live animals, mineral fuels and lubricants, edible oils and fats and miscellaneous manufactured articles.

Barbados exported 24.9 million dollars worth of machinery and transport equipment last January, compared with 13.3 million dollars in January last year.

Imports in the category from food and live animals last January were valued at 14.1 million dollars, compared with 12.2 million dollars in January last year, while exports in the same class fetched 1.2 million, against 1.1 million in January 1983.

Mineral fuels and lubricant imports last January cost Barbados 20.5 million dollars, against 12.4 million dollars January last year, and exports moved from 1.9 million dollars in January 1983 to 8.9 million dollars last January.

Barbados' imports of machinery and transport equipment last January were put at 33.9 million dollars, against 39.2 million dollars--a decline of 5.3 million dollars--to January 1983.

The value of miscellaneous manufactured articles imported by Barbados during the month of January 1984 increased by 3.1 million dollars, moving from 7.1 million dollars in 1983 to 10.2 million dollars last January.

Exports to the Caribbean Community (Caricom) declined by 2.2 million dollars, from 10.7 million dollars last year to 8.5 million dollars in January this year.

The decline is believed to be due mainly to trade problems with Trinidad and Tobago, Jamaica and Guyana.

Imports from the Caricom region, however, went up by 4.6 million dollars, moving from 12 million dollars in January 1983 to 16.6 million dollars.

CSO: 3298/1144

## EPC REPORT SHOWS EXPORT EARNINGS DOWN

FL032250 Bridgetown CANA in English 1917 GMT 3 May 84

[By Ivrine Reid]

[Text] Bridgetown, Barbados, 3 May (CANA)--Barbados today reported an 8.9 million dollars (1 Bds dollar; 50 cents U.S.) unfavourable trade balance with Trinidad and Tobago, its biggest Caribbean market, for last January.

According to figures released by the state-run Export Promotion Corporation (EPC), this represented a worsening of their trade position. The unfavorable balance was 2.4 million dollars in January last year.

Last January, Barbados sold Trinidad and Tobago 5.1 million dollars worth of goods (compared with 7.2 million dollars for the same month last year) while it brought 14 million dollars worth. This island spent 9.6 million dollars on Trinidad and Tobago goods in January 1983.

Exports to Jamaica in January this year fetched 568,423 dollars against 950,058 dollars for the same month last year. Imports last January were put at 1.4 million dollars, down on the January 1983 figure of 1.8 million dollars.

Barbados exports to Guyana, this country's main South American market, dropped from 211,462 dollars in January 1983 to 189,720 dollars for the same month this year, while imports rose from 131,090 dollars in January last year to 549,607 dollars for the same month this year.

Barbados exports to the lesser developed countries (LDC) of the region during the first month of this year were up mainly in Antigua and Barbuda, Dominica and Grenada. Sales to Antigua and Barbuda moved from 273,937 dollars in January last year to 483,230 dollars for January this year and imports from 53,778 in January 1983 to 69,593 in January this year.

Exports to Dominica in January this year fetched 222,126 dollars, compared with 191,846 dollars for the same month last year, while imports stood at 126,460 dollars last January against 46,491 dollars in January 1983.

Exports to Grenada rose from 370,430 dollars in January 1983 to 466,426 dollars while imports from Grenada rose from 16,517 dollars to 73,686 dollars.

Barbados exported less to Belize, Montserrat, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines. Exports to non-Caribbean Community (Caricom) countries--the United Kingdom, the United States, Canada and others--increased by 18.2 million dollars from 18.9 million dollars in January last year to 37.1 million dollars for the same month this year. Imports went from 91 million dollars to 93.8 million dollars.

Exports to the United Kingdom in January this year stood at 263,568 dollars, against 230,258 dollars in January 1983 while imports stood at 8.8 million dollars for the same month in 1983/84.

Exports to Canada in January 1984 totalled 324,636 dollars, compared with 390,445 dollars in January 1983 while imports dropped from 6.3 million dollars to 5 million dollars this year.

CSO: 3298/1144

## EXPORT/IMPORT TRAFFIC WITH CARICOM NOTED

FL091425 Bridgetown CANA in English 2118 GMT 7 Apr 84

[Text] Bridgetown, Barbados, 7 April (CANA)--Exports earnings for Barbados from sales to other Caribbean Community (Caricom) countries dropped slightly last year, according to official statistics released here.

Exports to Caricom in 1983 earned Barbados 138.9 million dollars (1 Bds dollar; 50 cents U.S.) a 1.6 percent decline on the 1982 figure of 141.2 million dollars.

The statistics came in the latest issue of the ECONOMIC AND FINANCIAL STATISTICS of the Central Bank.

The island's trading position with Caricom suffered because of uncertainty surrounding import licensing in Trinidad and Tobago and currency devaluations in Jamaica, the two biggest markets for Barbadian manufacturers.

Exports to Trinidad and Tobago last year dipped from 86.8 million dollars in 1982 to 84.2 million dollars last year, a 2.9 percent decrease.

The value of goods sold to Jamaica were however up by 39.3 percent, moving from 14.2 in 1982 to 19.8 in 1983.

Exports sales to Guyana, which has longstanding foreign exchange difficulties, rose 46.9 percent from 2 million dollars in 1982 to 2.9 million dollars last year.

Last month the Barbados Export Promotion Corporation (EPC) said manufacturers should take some credit for their export performance to Caricom countries as they had to operate "in conditions of quite unacceptable levels of uncertainty."

"The result of all this has been a serious weakening of the regional market for Barbadian products."

It added "unfortunately, there is no reason for optimism about the Caricom situation in the short term."

Imports from Caricom were up from 144 million dollars to 150.3 million dollars, a 4.3 percent rise.

Imports from Trinidad and Tobago were valued at 111.8 million dollars, an increase of 7.1 percent.

There were however slight drops in the value of imports from Jamaica and Guyana.

Barbados imported 22.4 million dollars in goods from Jamaica in 1983, compared to 23 million in 1982 and 4.6 million dollars from Guyana, down from 5.7 million dollars in 1982.

CSO: 3298/1144

## BRIEFS

NATIONAL BUDGET--Belizean Prime Minister George Price submitted the budget for the upcoming fiscal year to the Chamber of Representatives yesterday. The \$90 million budget is \$7 million lower than last year's, presenting cutbacks on government spending while going ahead with development projects that include the construction of a new international airport terminal and of a hospital in the city of Belize. [Summary] [PA20223 Panama City ACAN in Spanish 0209 GMT 17 Mar 84]

UNEMPLOYMENT FIGURES--Belmopan, Belize, 12 June (CANA)--Belize has reported a 13.6 percent level of unemployment, according to figures from the Central Statistical Office here. The officer said that Belize's workforce comprises 46,500, out of a population of 155,008 and 6,370 persons are unemployed. [Text] [FL121856 Bridgetown CANA in English 1759 GMT 12 Jun 84]

CSO: 3298/1145

## SUGAR YIELD FOR 1984-85 TO MEET EXPORT NEEDS

La Paz EL DIARIO in Spanish 26 May 84 p 3

[Text] The approval of the agenda for the first meeting of the National Commission on Research and Sugar Cane [CNECA] held in this city assures an abundance of sugar cane for the period of 1984-85, with big prospects for production and exportation by the sugar mills of the country.

The information given by the minister of industry and commerce revealed important aspects of the discussions conducted by CNECA. Basically, it shows a total production of 5,115,000 quintals against a consumption of 3,410,000 quintals, with prices which will not affect significantly the population's economy. Of this total, 3,480,000 quintals are produced in Santa Cruz and 1,635,000 in Tarija.

## Production

Minister Freddy Justiniano summarized the items approved by the sugar cane representatives in La Paz as follows: a) In a period of 11 months (15 June 84-31 May 85) the total national consumption will be 3,410,000 quintals; b) 100,000 quintals in stockpiles allotted to the International Sugar Organization, of which Bolivia is an active member; c) 620,000 quintals in noncommercial reserves to January 1985; d) 450,000 quintals to be exported to the United States. A maximum balance of 535,000 quintals has been estimated. The international price for a quintal of sugar is \$6.00 at the delivery port, an amount considered insufficient to cover transportation expenses. If the demand in the Bolivian market declines, those quintals would be exported to Peru.

The minister said that the producers raised the possibility of adding an extra charge to the internal production as a "mattress" to soften the exportation deficit, but that the government would not authorize it, to prevent the popular economy from being overburdened by such a charge.

## Commercialization

Minister Justiniano reported that the government, through a final decree, approved the creation of "markets" for the distribution of sugar throughout the country, according to the following scale: La Paz, 27.5 percent;

Santa Cruz, 23.75 percent; Cochabamba, 16.25 percent; Oruro, 7.50 percent; Chuquisaca, 5 percent; Potosi, 5 percent; Tarija, 6.25 percent; Beni, 5 percent; and Pando, 3.75 percent.

The sugar mills located in Tarija, in addition to those of La Paz and Oruro, will supply sugar to the Chapaco department, Potosi, and Chuquisaca; those located in Santa Cruz, for that district, Cochabamba, Beni, and Pando. The private sugar mills will supply the commercial and union-owned groceries. The Bolivian Development Corporation will cooperate with the proceedings to assure a normal supply.

#### Social aspects

According to the minister, the government incorporated 135,000 people into the social sphere of production, making operational costs less expensive, as 28,000 sugar workers and their families will mobilize the earth's yield through sugar cane growing and harvesting.

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CSO: 3348/443

## SANTA CRUZ CIVIC LEADERS LASH OUT AT LECHIN

La Paz PRESENCIA in Spanish 30 May 84 p 6

[Text] Santa Cruz, 29 June. The civic leaders of the provinces have not been surprised by the opinions of Juan Lechin Oquendo on the decision taken by the country's civic committees regarding political and administrative decentralization, but they challenged all his moral rights to criticize the conference that just ended.

"Lechin Oquendo is nothing more than a parasite of the workers. He has never worked, and he does not realize how damaging he is for the country," said Daniel Suarez, when commenting on the statements expressed by the leader of the Bolivian Labor Federation [COB].

The civic leaders of the thirteen provinces concluded a meeting giving their full support to the national congress to achieve decentralization, but they stressed the point that in Santa Cruz such a step toward decentralization will be taken on their own anyway.

The national civic congress gave the government a 10-day period, which will end on Tuesday, 5 June, to issue the final decree to implement the decentralization, according to articles 109 and 110 of the State's political constitution.

In other circles, the declarations of Lechin Oquendo were not considered very important. The Departmental Worker Federation [COD] acknowledges the leadership of the Pro Santa Cruz committee of Santa Cruz, which promoted this national civic movement and supported decentralization.

The labor groups of Santa Cruz are more and more reluctant to follow the hard line of the COB. Lechin has been severely criticized here by many important sectors such as the construction sector, because of his "stingy opposition to keeping the miners on strike."

Several times local radio stations devoted transmission space to criticizing the behavior of the COB and pointing out the negative repercussions for the country. It was noted that Lechin cannot consider himself a leader because he has never known what work is.

To speak about civic institutions, said one radio station, it is necessary that Lechin Oquendo be an ethical and honest person. In the attack, there were constant questions such as: Does any Bolivian know where Lechin works? Does anybody know how much money he makes for throwing the country into violence and desperation? There were other extremely harsh criticisms for the leader of the COB and his collaborators.

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CSO: 3348/443

## REGIONAL LABOR GROUPS CHALLENGE COB'S ORDERS

La Paz EL DIARIO in Spanish 30 May 84 p 5

[Text] Cochabamba, 29 June. At dawn today the labor groups of the department of Cochabamba showed total confusion. In an emergency meeting of the delegates to the Departmental Worker Federation [COD] held on Monday night it was decided to declare a work stoppage in all the affiliated organizations. The only exceptions to this strike were emergency services such as gasoline and milk distribution and hospital emergency assistance.

The resolution was adopted Monday late in the evening, and today, when the beginning of the general strike was virtually given as a fact, the chief executive of the COD of Cochabamba, Sabino Rodriguez, addressed the labor groups through the local radio stations saying that the strike had been cancelled because negotiations between the COD and the government had started.

## Manufacturing Labor Groups Do Not Obey the Decision of the COD

The department's manufacturing sector with its 127 labor groups decided not to obey the order of the COD.

Thus, the manufacturing labor group of Cochabamba entered into a general indefinite strike with the "blocking" of roads. The so-called "pickets" were located at strategic sites around the city where they started to block the roads entering and leaving town, "at the four cardinal points" of the city, as was stated by the chief union leader of the manufacturing workers, Lucio Lopez.

Immobilization of activities in the manufacturing sector was total.

The main leaders of this organization and representatives of the labor groups have been fasting since 7 days ago. It has been reported, however, that in the last few hours at least seven leaders have had to abandon their fast due to impaired health.

## Workers of Manaco Join the General Strike

The workers of the shoe factory, Manaco, the most important in production in the whole country, also are in strike, obeying the instructions issued

by the top leaders of the manufacturing labor groups.

Manaco was recently reincorporated into the Federation of Manufacturing Workers. The end of the leadership period of Marcos Marin permitted the return of the labor group of Manaco to the manufacturing workers group. Marin had been an unremitting antagonist of the executive director of the manufacturing labor sector, Lucio Lopez.

#### Opinion of Manufacturing Labor Groups

The manufacturing workers of Cochabamba have decided to enter the general indefinite strike, contravening even the dispositions of the Bolivian Labor Federation [COB].

The workers of this sector are of the opinion that workers are tired of the negotiations between the top representatives of the government and the COB and do not believe anymore in the promises of the government nor in the effectiveness that slow negotiations regarding better salaries may have.

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CSO: 3348/443

## ICAIC FILM DOCUMENTARIES ON SPECIAL TROOPS' INTERNATIONALISTS

Havana MONCADA in Spanish Apr 84 pp 58-59

[Article by Teresa Valdes: "Realities That Unite Us"]

[Text] The documentaries of the ICAIC [Cuban Institute of Cinematographic Arts and Industry], "Here or Anywhere Else" and "Field Doctor," reflect, in the accounts of the Special Troops' Internationalists, the daily feats of these fighting men.

It is easy to put the themes of the Ministry of Interior on film, but not just because they are especially interesting and attractive.

Rather, in the lives of each one of our soldiers in their daily tasks, there is love violence, heroism, dedication and discipline. One example is found in the Special Troops' internationalists.

To make a film with these sons of the nation requires a commitment on the part of the filmmakers because reflecting the experiences in images that speak for themselves identifies the artist as a militiaman and soldier also.

In this difficult endeavor, director Luis Felipe Bernaza achieves the objectives he proposed in documentaries dedicated to the Ministry of Interior: "Here or Anywhere Else" and "Field Doctor."

The team of filmmakers included in addition to Bernaza Abelardo Vidal for the script, Julio Simoneau and Guillermo Centena for photography, Magaly Gonzalez in production, Julia Yip in editing and Emilio Ramos for sound. The theme song is by Julio Fernandez.

In "Field Doctor," one has an 11-minute-long account of the experiences of Lieutenant Colonel Ali during a dangerous action to save wounded men during the war in Angola.

The talk with the doctor takes the form of a diaphanous, emotional dialogue through which one gets to know the man, an internationalist doctor, who tells his story with singular simplicity. The camara stays on him, keeping the image of the doctor interviewed in front of the viewer and making it possible to share the most difficult moments of the encounter.

The retrospectives evoking aspects of the short and concise narration do not achieve the strength of the impressive account, without excesses or unnecessary details that would detract from the very essence of what is being shown: the rescue of gravely wounded men who can be saved without miracles thanks to the dedicated action of their comrades.

Special attention should be paid to the other documentary, "Here or Anywhere Else," dedicated to the 20th anniversary of the Special Troops. When shown in the Charles Chaplin Theater during the Fifth International Festival of the New Latin American Cinema, it received great applause from the expert audience.

The film tells of the poetic encounter of the artists with the intensive training given to the fighting men so they might fulfill their combat missions anywhere in the world.

Along with this central idea, which takes a half hour to show, a leitmotif runs throughout the entire documentary and is found in the presentation of the new generations now hoisting the battle flags and preparing to defend them, accompanied by their traditions and the pure ideals of their predecessors.

With silent pride, one hears the accounts of the sons of Briones, Tenjido, Delgado and others whose fathers gave their lives for proletarian internationalism.

Military maneuvers and remembrances of combat in brother lands are a pleasure to behold and through them one recalls the decision of Major Stable, who is over 50 but who nevertheless continues to jump out of planes.

These two productions of the Cuban Institute of Cinematographic Arts and Industry show that the tasks of our soldiers are a true challenge to the Cuban filmmakers, but that challenge offers them the possibility of providing future generations with this modest account of daily endeavors through a documentary script that could even be used for fictional films.

Luis Felipe Bernaza and Abelardo Vidal, accompanied by all the technicians and actors, accepted the challenge and have given us concrete and encouraging results.

The ICAIC recently celebrated its 25th birthday and these documentaries, along with many others that have enriched cinematographic production this past year, have shaped many of the realities enhancing daily life. In our units are the revolutionary fighting men, their deeds and legendary lives which, by virtue of their interest, urge our filmmakers on to new endeavors.

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CSO: 3248/657

## FRENCH GUIANA

### FOLLOW-UP ON IMMIGRATION COMMISSION'S 30 MEASURES

Cayenne LA PRESSE DE GUYANE in French 13 Apr 84 pp 1,4

[Article: "An Assessment of Immigration Policy in French Guiana." For related material please see JPRS 84486 of 6 Oct 1983 LATIN AMERICA REPORT No 2749, pp 54-65]

[Text] In July 1983 the synthesis report of the work of the "Immigration" Commission was written. It was entitled "Thirty Measures For An Immigration Policy In French Guiana." The report was the result of several months of consideration on the part of the entire body of French Guiana elected representatives, trade union officials, and representatives of associations and government agencies who met together in various working groups. The purpose of this deliberative activity was to study the ways to bring the flood of migration to French Guiana under control, on the one hand, and to integrate foreigners living in the department into French Guiana society, on the other hand.

What is the status today, a little over 6 months after the report's adoption, of immigration policy?

#### The Tightening Up of Border Control and Regulations Concerning Visas

Efforts have in the first instance revolved around the measures aimed at stopping illicit immigration by tightening up border control and regulations concerning visas.

- Thus, a 4 February 1984 order operates on the principle stated in its Article 1 that "all pirogues and other small craft travelling on the Maroni River anywhere between its mouth and Maripasoula, the owners of which are of French nationality, must be registered." The order also prohibits nocturnal berthing of non-registered pirogues.

It specifies the penalties incurred by boat owners and operators not obeying the decreed regulations. Registration of pirogues started in mid-March.

- The river patrol boat which is to be provided to the Saint-Laurent-du-Maroni Air and Border Police has already been ordered, the funds have been promised, and the dockshed to house it is being built.

- In the face of the need to check traffic on the Maroni coming by Saint-Laurent, it was decided to reserve the immediately accessible river bank for a "road for customs officials." The mayor of Saint-Laurent has provided for this kind of development in his commune's land use plan.

An effort has also been undertaken to, on the one hand, strengthen the Customs Directorate's means of maritime surveillance and to, on the other hand, increase the air surveillance resources of the Departmental Directorate for Maritime Affairs. The required reinforcement should be provided in 1984 and involve both men and equipment.

The new border post installation project on RN [National Highway] 1 at Saint-Laurent is well advanced. Its purpose will be to more effectively control foreigners coming from the western part of the department and to grapple with the congestion of Cayenne Island. There are still several sites from which one must be chosen.

Lastly, efforts have involved tightening up regulations concerning visas in order to resolve the problem of illegal sojourns on the part of foreigners mainly from Brazil, Haiti, Surinam, Guyana, Trinidad and Tobago, and the Dominican Republic. Agreements have been concluded with most of those countries for maintaining the requirement for a visa and tightening up the conditions for its being granted. The French Ministry of External Relations has also asked diplomatic and consular posts to pay close attention to the guarantees they must be given before granting transit and short-stay visas to foreigners desiring to go to the DOM [overseas departments]. Finally, a certificate of paid accommodations is routinely required at the commune mayor's office where the visa applicant is to go.

#### Strengthening Controls and Measures On the Part of the Police Force Dealing With Aliens

The strengthening of controls and measures on the part of the police force dealing with aliens has also been a priority objective.

The most noteworthy item in this regard is the increasingly frequent recourse being had to expelling people and turning them away at the border in spite of the practical difficulties encountered when those steps are carried out.

Closer collaboration with Air France and the construction at the Rochambeau airport of an office to provide for the guarding of individuals about to depart should improve the situation. Nevertheless, it is a fact that the number of people expelled and turned away at borders has increased appreciably. In 1982, 73 expulsions were carried out. In 1983, the figure rose to 244 expulsions, most of them Brazilians and Haitians.

In order to increase the number of personnel in the Departmental Directorate of Labor and Employment, a full-time inspector post was created starting 13 October 1983. Three other special inspector slots have been asked for. The increase in personnel numbers at the Labor Inspectorate will make it possible to increase workplace inspections in the near future.

In that regard, it should be noted that the government authorities have decided to more firmly and more systematically punish employers fraudulently using illegal labor.

In particular, measures have been taken to debar the companies in question from government contracts. Letters have been sent to all employer representatives and have been published in the press. The government authorities definitely intend to increase the number of "knuckle-dusting" operations checking worksites, such as the one carried out on 3 October 1983. Others are in preparation.

#### The Integration of Immigrants

Finally, the integration of legally established immigrants into French Guiana society is being striven for.

Several measures are being carried out including the establishment of a "Foreigners' House." This would mean gathering together in the same place all the agencies in frequent contact with the immigrant population so as to facilitate procedures for the latter, on the one hand, and to make the various services in question more effective, on the other hand. Several locations have been looked at and various ways to finance it are being studied.

The imminent arrival in French Guiana of a mission from the National Immigration Office [ONI] should enable further in-depth deliberation concerning the conditions for the integration of foreigners with legal status. At that time the issue could also be taken up of regularizing the status of the immigrant population that has been resident in French Guiana for a number of years and is legal with respect to employment and social insurance contributions.

Lastly, the efforts undertaken in the housing area should be mentioned. Although after the discussion in the Regional Council a general policy was ruled out, various specific operations have been carried out, in particular at Saint-Laurent on the banks of the Maroni, in the Madeleine district in Cayenne, and in the Mahury district on the beach road, and these were done after consultation with and with the agreement and assistance of the communes concerned.

So it appears that barely 6 months after starting to implement the "Thirty Measures Regarding Immigration", a goodly number of them are already carried out: the 4 February 1984 order, regulations concerning visas, strengthening of controls, increasing the numbers of people expelled and turned away . . .

And certain other measures are about to be realized: the checkpoint on RN 1, the house for foreigners, the reinforcement of means of surveillance, and the ONI mission.

However, the effort must not flag. Immigration policy is the business of all French Guianese, and it will not become fully effective unless all citizens participate in its implementation.

9631  
CSO: 3219/19

## PEACE COMMISSION SEEN AS INEFFECTIVE

## USAC President Coordinator Resigns

Guatemala City LA RAZON in Spanish 23 May 84 p 5

[Text] The resignation submitted today, Wednesday, by the rector of San Carlos University [USAC], Dr Eduardo Meyer Maldonado (as he announced yesterday) from the critical post of coordinator of the "Commission for Peace" has made it obvious that the creation of that commission may prove a failure.

The resignation of the USAC rector, creator of the commission, announced last night by a press communique, virtually puts the progress of the aforementioned commission in a dilemma, despite the fact that the university will continue to work in it, "but without the responsibility for coordination."

The announcement of Meyer's resignation from the coordinator's position did not cause any surprise, because reports of that departure had been made. Last night, the rector even called off a talk at the Guatemalan Managers Association in which he was to discuss the goals and scope of the "Commission for Peace."

An urgent communique distributed by the USAC press office last night noted that the resignation would take place today, Wednesday, "in view of the new outbreak of the wave of violence in the country, primarily because of the disappearance of members of the university community that has been occurring during the past few days."

Nevertheless, in fulfillment of the agreement signed at the time of the signing of the incorporation papers of the Commission for Peace, wherein it is stipulated that USAC must have a representative, "it will continue to work within the commission," as the communique stated.

This decision was made by the USAC authorities, because they still believe that the aforementioned commission, if given the proper assistance, "could be an alternative to safeguard individual and collective liberties and guarantees, and to protect human rights in Guatemala."

The press communique declares that, as acknowledged in the incorporation papers of the "Commission for Peace," the problem of violence suffered by the country represents a social deterioration that is affecting all strata of the Guatemalan population.

In this connection, the comment was made that, "Human rights have been subjected to impairment, particularly with regard to personal integrity, security, employment, justice and honor, and their assets; which has heightened the violence and destroyed social peace."

#### 'We Shall Succumb to a State of Terror'

The USAC rector, Dr Eduardo Meyer, after a meeting that he held with the head of state, Gen Mejia Victores, remarked: "With regret, I had to declare that if forceful measures are not taken to counter the many kidnappings or disappearances that are occurring every day on the national territory, affecting the university community, the workers, peasants, businessmen, professionals, etc., the process of violence will degenerate into the creation of what is known in sociology as a state of terror, similar to that which has already prevailed in an alarming way during past regimes."

Meyer noted that it is impossible for him to continue to head the Commission for Peace so long as attacks are occurring against the university community.

#### The Commission Could Become an Ornament and Impractical

Dr Meyer also observed: "I could not continue to head the commission's coordinating entity, because it has become a merely ornamental and impractical post, while every day there are still instances of corpses thrown into the roads, as well as kidnappings or disappearances in general."

Meyer clearly asserted: "It is impossible for me to remain at the head of the Commission for Peace so long as attacks against the university community are taking place."

He emphasized: "This would appear to be a mockery of the efforts and good will of USAC for helping to attain national peace and harmony."

#### The Kidnapping and Assassinations Hurt the Country's Image

The rector of San Carlos University also said: "We are aware that all the complaints of violations of individual guarantees hurt the image that our country has abroad, with the serious international consequences involving exclusion that they imply."

Meyer said that the people of Guatemala demand an investigation by the public authorities of all incidents in which the individual and social guarantees stipulated in the law are violated or curtailed.

He noted that the legal provisions for turning over those arrested to the courts within the period of time set by the law must be made effective, as well as fulfillment of the rules that govern the appeals for habeas corpus and protection.

Meyer commented: "We accept the historic responsibility for working on the Commission for Peace because as Guatemalans we are aware that there must be an intensification of all action aimed at maintaining public calmness, giving priority to the cases wherein risks or threats to the lives and security of individuals or institutions are detected; but one cannot continue when there are kidnappings and bodies are found thrown into the roads."

#### Church Will Not Participate

Guatemala City LA RAZON in Spanish 24 May 84 p 5

[Text] The escalation of violence that has broken out again in the country is affecting and even interfering with the electoral process, declared Msgr Prospero Penados del Barrio, metropolitan archbishop, in response to one of the questions asked by our reporter during a press conference in which the former announced that the Church would not participate in the Commission for Peace.

Penados del Barrio stressed: "Yes, the escalation of violence that is occurring in the country at present is interfering with the electoral process to elect the National Constituent Assembly, because it is creating tensions, hatred and self-interests."

In this escalation of violence, even the state itself could become violent, and "many liberties would be lost," remarked the archbishop at a press conference which he offered and at which he was accompanied by Fr Juan Carlos Cordova, spokesman for the ecclesiastical curia, and Msgr Efrain Hernandez, chancellor of the Episcopate.

Nevertheless, the metropolitan archbishop urged all Catholics, on Sunday, 1 July, to fulfill the obligation of every Guatemalan to go to the polls to cast their votes with complete responsibility.

Penados del Barrio said: "Every Catholic must be political and exercise his vote, voting for the candidate to the Constituent Assembly that he deems feasible; but what we cannot do is recommend any political party to them."

#### The Position of the Catholic Church on the Commission for Peace

At the outset, Fr Juan Carlos Cordova proceeded to read the official communiqué from the curia, in which the position of the Catholic Church on the Commission for Peace is reflected.

The communiqué clearly indicated: "The Church views with deep concern the fact that the Commission for Peace does not have in its initial structure either the composition or the flexibility that would enable it to be a really effective means to help create an atmosphere of peace and harmony which is the desire of everyone."

From this standpoint, "the Archbishopric of Guatemala will not take part in the Commission for Peace," as the firm position of the ecclesiastical curia states.

Human Rights Are Deteriorating....

In the position assumed by the Church, it is stated that there has been a deterioration in respect for human rights in Guatemala.

"We have viewed with tremendous concern the increasing deterioration of human rights in our Central American region and in Guatemala."

The communique from the Archbishopric's information secretariat declares: "The Church observes with deep concern the heightening of violence in our native land.

"The Church is concerned over the status of human rights, because man has been made in the image and likeness of God, and cannot remain indifferent when his rights are violated.

"The Church demands a situation of justice that will enable the individual to live in dignity and decency.

"Peace has constituted a constant concern of the Church, which must convey the good news of Jesus. He presented himself to us as 'our peace.' The Church is continuing this announcement and will continue to proclaim it until the end of time.

"This has been proclaimed by the Church in modern times with greater insistence, owing to the reality of violence, destruction and death that is being experienced."

Subsequently, the communique which establishes the Church's position emphasizes that Msgr Prospero Penados del Barrio, from the beginning of his pastoral ministry as archbishop, has declared his deep concern over the state of deterioration of human rights and the heightening of violence in the country.

He has also demonstrated his desire to cooperate with determination in all those initiatives aimed at establishing an atmosphere that will enable the Guatemalan to live in dignity, and wherein his rights will be upheld, while he lives in an atmosphere of justice and peace.

This was the reason for the initial acceptance by the Archbishopric of Guatemala of the initiative of San Carlos University to join the Commission for Peace, having participated in the first meeting held on 20 March 1984.

Nevertheless, the Church now views with deep concern the fact that the Commission for Peace does not have the necessary composition or flexibility that would enable it to be effective in achieving peace in Guatemala.

Hence, the communique notes, the Church will not participate in that commission any longer.

The bulletin concludes by stating that Msgr Prospero Penados del Barrio will cooperate with all the authentic, effective initiatives that are aimed at establishing the foundations for the construction of a more humane, more just and more Christian Guatemala.

2909

CSO: 3248/676

## STATE OF COUNTRY'S ECONOMY EXAMINED

FL021900 Bridgetown CANA in English 2141 GMT 31 Mar 84

[By Edwin Ali and Leon Walcott]

[Text] Georgetown, Guyana, 31 March (CANA)--Guyana, its economy in a shambles, has just passed labour relations legislation that takes a lot of financial pressure off the government on the eve of resumed negotiations with the International Monetary Fund (IMF) for sorely needed balance of payments support.

But, trade unionists and human rights activists fear the new law which gives the Forges Burnham administration wide powers to control wage levels, deals a severe blow to the collective bargaining principle here.

The government, which ended 1983 with a near three quarters of a billion dollar fiscal deficit (1 Guy dollar; 27 cents U.S.), used its large parliamentary majority on 16 March to push through the National Assembly a bill which, among other things gives legal effect, retroactively, to a wages' freeze announced nearly 6 years ago.

In addition, the so-called Labour Amendment Bill has given President Burnham the authority to decide if and when there will be pay increases in the public service and indeed the level of the rises.

By a vote of 46-5 the assembly passed the bill nullifying previously contracted post-1979 pay increments for some government corporation staffers and overturning a 1983 appeal court decision that had upheld employee entitlement to the hikes.

With the IMF demanding, among other things, containment of public sector spending, the Appeal Court's October rejection of government's self-given right to unilaterally cut employees pays was a clear threat to Burnham, whose ruling People's National Congress (PNC) adheres strictly to the principle of paramountcy of the party.

It was an employee of the state-run Guyana Sugar Corporation (Guysuco), senior time-keeper Seeram Teemal who took the issue to the High Court after the company rolled back his contracted increments in 1979. He won his case but Guysuco appealed.

The Appeal Court ruled that government could not unilaterally reduce the wages of employees which Guysuco had contracted to pay by a simple statement by the president or anyone else.

Justice of Appeal Ronald Huley Luckhoo declared: "It would be an alarming situation for an employee to be told by his employers that no matter what they had set out as the terms of employment they would reduce his salary at any time they thought fit and that if he did not like what was done, he could seek employment elsewhere."

"This would be contrary to all ethical, moral, and legal concepts, and it is not done in civilised communities," the judge said.

Referring to a submission by Guysuco's counsel that cabinet's decision was paramount, the judge said he was "unaware of any such proposition as a matter of law, as no authority had been cited to support such a novel proposition."

"Lest we lose sight of our country's jurisprudence, reiterated from time to time by this court, let me state once more that it is the constitution which is paramount and which is the supreme law of the land," Judge Luckhoo said.

He also said a "duty devolves upon the courts to pronounce on the validity of executive action when it is challenged, to determine whether such action goes beyond constitutional power."

But, Guysuco ignored the ruling and did not pay, triggering a 5 March strike by Seerman's Union, the National Association of Agricultural Commercial and Industrial Employees.

NAACIE called out its 1,200 workers to back demands for implementation of the court order, which the union contended, would by implication apply to similar categories of workers.

A week later the government introduced the controversial bill in the National Assembly to a hail of criticism from the labour movement, opposition political parties, and the Bar Association.

It was approved within 5 days of being laid in parliament, and with the rules of the game effectively changed, NAACIE called off the strike.

The bill actually amended the Guyana constitution. For the first time it made collective agreements legally binding and enforceable.

One controversial section enabled the state and the government-controlled Trades Union Congress (TUC)--umbrella body for the labour movement here--to enter into agreements on behalf of employees who may already be represented by independent unions.

The bill also contained a provision to prevent the functioning of arbitration tribunals to which matters have been referred from being hampered by court orders.

Five trade unions with membership totalling some 28,000 complained in a letter to the government that the bill "gives the TUC wide bargaining powers superceding individual trade unions...."

"... And such agreements as it (TUC) enters into with the government or public sector employers prevail over individual union contracts and above all, court and arbitration awards."

The unions contend that the new law has frozen wages at 1970 levels affected the right to strike of individual trade unions and changed related fundamental rights provisions of the constitution without prior consultation with the labour movement.

"The main horror of the bill... is to overturn by several interlocking provisions the October 1983 judgment of the Court of Appeal that members of NAACIE in the sugar industry were entitled to increments for the year 1979," declared the small Marxist Working People's Alliance (WPA) Party a few days before the legislation was approved.

The WPA dubbed the measure "President Burnham's most inglorious hour in which he demonstrates the resolve of the old plantation class to stamp out the pestilence of free trade unions."

Distrust, by sections of the trade union movement, of the Burnham administration has its origins in a 1977 wages agreement between the government and the TUC.

The pact called for phased increases in the minimum wages from the existing U.S. 1.20 dollars per day in 1977 to U.S. 2.15 dollars per day in 1978, to U.S. 3.70 dollars per day in 1979.

The government says it told the TUC at that time that the agreement was "as act of faith" which depended on the performance of the Guyana economy.

Wages were actually raised in 1977 and 1978 in keeping with the agreement but, in 1979, the government imposed a wage freeze saying that the economy had performed badly.

Figures presented to Parliament supported this contention, showing that export earnings fell from U.S. 213 million in 1978 to U.S. 210 million dollars in 1979.

In 1979 however Guysuco began paying certain categories of employees the agreed U.S. 3.70 dollars per day minimum wages, but suddenly stopped, and this prompted Teemal to move to the courts.

Government has never actually given any detailed reasons for introducing the bill.

Manpower Minister Kenneth Denny told Parliament the measure was essentially to correct a number of irregularities existing in Guyana's labour laws.

Collective agreements hitherto had simply been "gentleman's agreements" and this had lent itself to abuse, Denny said.

The minister pointed out, in response to opposition criticism of the bill, that government had actually had a change of heart and dropped a provision that would have required employees who benefited from pay hikes after the president declared the wage freeze to pay back the increments.

Government and its corporations which account for three quarters of all business activities here employ upwards of 100,000 people.

With the new law in place, the Burnham administration is now clearly in a better position to meet IMF demands for containment of public sector expenditure.

CSO: 3298/1146

## BRIEFS

BAUXITE PRODUCTION FIGURES--Georgetown, Guyana, 1 June (CANA)--The state-run Bauxite Industry, the number one hard currency earner here, has exceeded its projected production target for the first quarter of this year by nearly 60,000 tonnes, a spokesman for the Guyana Mining Enterprise (Guymine) said today. Actual production was 433,942 tonnes, which was 59,645 tonnes more than the target of 374,297 tonnes, the official said. The favourable production increase was originally announced by President Forbes Burnham at a 26 May rally marking the country's 18th anniversary of independence from Britain, but he did not give any figures. Government has announced plans to turn around the industry which has lost 131 million dollars (1 Guy dollar; 27 cents U.S.) since 1980. The 1984 production target has been set at 1,566,000 tonnes, an increase of 495,743 tonnes over total production last year of 1,070,257 tonnes. The Linden Operations, 67 miles south of here, is expected to produce 836,000 tonnes--185,033 tonnes over last year's total of 650,967, while the other operations sited on two locations in Berbice Country, are expected to increase production by 75 percent from the 419,290--tonne output last year to 730,000 tonnes. [Text] [FL012116 Bridgetown CANA in English 1809 GMT 1 Jun 84]

CSO: 3298/1146

## DEPUTY PRIME MINISTER ON TRADE RELATIONS, CBI

FL041758 Bridgetown CANA in English 1450 GMT 4 Apr 84

[Text] Miami, Florida, 4 April (CANA)--Jamaica's Deputy Prime Minister Hugh Shearer has urged American financial institutions to seize "an unprecedented opportunity" now existing to take a special interest in promoting investment in the Caribbean region.

He proposed that banks and other financial institutions meet in Jamaica to explore and determine the manner in which they could support venture capital, and other forms of financing to stimulate investment and trade in all Caribbean Basin countries. Shearer, who also holds cabinet responsibility for foreign affairs and external trade, addressed an inaugural luncheon at the Grove Isle Club here, following the official opening of the Jamaica National Investment Promotion, southeastern region office.

He spoke of the ties between Jamaica and the state of Florida where, he said, thousands of Jamaican workers, through seasonal employment on local farms, have aided in the enrichment of both countries. He also commented on trade and investment missions from Florida which has recently visited Jamaica. "Such ties are not accidental," Shearer said. "They are derived from a mutual recognition of the very definite benefits that we stand to gain. And, I view the setting up of this JNIP office here in just those terms." Shearer praised Washington's Caribbean Basin Economic Recovery Act--which among other things provides for most regional exports to enter the U.S. duty free--as the most important piece of legislation designed for the region in recent memory. He said Jamaica was already preparing to capitalise on the so called Basin Initiative (CBI). "The development strategy we have adopted has as its fundamental objective, a widening of our productive range, the increasing of foreign exchange earnings, and the stimulation of new employment opportunities," the Jamaican minister said. Studies had shown, Shearer said, that the agricultural sector was the priority in the economic re-development strategy, Jamaica being a traditionally agricultural-oriented economy.

This led to last year's launch of a joint public-private sector program to put into production over a 4-year period, 200,000 acres of underdeveloped or under-utilized land. "The government's commitment to the speedy development of this sector is such," Shearer states, "that we have declared a willingness--in appropriate cases--to directly participate in joint venture projects with investors, using our considerable bank of public land as equity contribution to such ventures."

Shearer said the Jamaica Government was also paying careful attention to manufacturing, with apparel, electronics, and mining and conversion/utilization of non-metallic minerals, as priorities. "We see," he said, "great opportunities in the telecommunications industry, in particular in high-speed data transfer and retrieval." He said government had a "shelter program," developed for the electronics sector, whereby factory, labour, utilities, and other features are provided for the manufacturer at a flat fee. The participant in the program only has to bring in his equipment, train staff to his specifications, and move into production.

Similar initiatives are underway in other areas, Shearer said, citing the apparel industry for which a factory-building program is underway. Shearer paid tribute to the Jamaica National Investment Promotion Limited, the state-owned agency which, he said, had so efficiently carried out its mandate to promote and facilitate private investment, local and overseas. JNIP, he said, had guided into production in 2 and 1/2 years, 240 investments valued at 345 dollars (U.S.). Shearer also spoke of the "twin plant" concept, saying that he saw tremendous opportunities for such linkage between Florida and Jamaica, with Kingston performing in labour-intensive areas of production, with the more technical and final stage work being done in Florida.

Another area of current interest, he said, is the motion picture industry, in terms of establishing Jamaica as a location for movie and television production. "It is our belief," Shearer concluded, "that the far-sightedness of the United States Government in implementing the Caribbean Basin Initiative, and the commitment of the people of the Caribbean to the private enterprise system will, if we pursue a consistent and diligent policy, allow the region to achieve rapid economic development. "And, we are poised to prove that this process can be achieved while preserving political freedom and democracy."

CSO: 3298/1143

## JMA RAPS GOVERNMENT EXCHANGE, CREDIT POLICIES

FL221956 Bridgetown CANA in English 1620 GMT 22 Mar 84

[Text] Kingston, Jamaica, 22 March (CANA)--Jamaican manufacturers have called for the scrapping of government's newly introduced auction system for scarce foreign exchange and to priorities allocations based on the national interest.

A resolution to this effect, moved by Jamaica Manufacturers' Association (JMA) Deputy President Paul Thomas, was approved at yesterday's JMA directors meeting during which members criticised government's exchange and credit policies, and at least one suggested a "locking-down" of factories for a day as a mark of protest.

Under the new system that had its first auction Tuesday, commercial banks as well as public and private sector businesses and individuals with legitimate foreign exchange liabilities over 50,000 U.S. dollars, bid twice weekly to the Central Bank for a pool of foreign exchange. Bids lower than 50,000 U.S. dollars are done through the commercial banks.

The bid that clears the market, forms the exchange for the intervening days until the next auction today.

At Tuesday's auction, only 2.1 million U.S. dollars were available, but there were bids for 10.2 million U.S. dollars at the upper end of the permitted bidding band of 3.51 Jamaican dollars for the U.S. dollar. With these bids clearing the market each bidder setting 20.5 percent of his request--the exchange rate of the Jamaica dollar moved from 3.25 dollars, where commercial banks had held it for several weeks, to 3.51 dollars for the U.S. dollar.

Bids at lower rates, totalling 1.08 million U.S. dollars were unsuccessful.

One JMA director, Clive Morin, charged that most of the currency in the auction went to insurance companies, with commercial banks, which made bids at the lower end of the scale, getting none.

The board members argued that this had grave implications for the future of the exchange rate, stressing that the value of the Jamaica dollar was likely to continue to plunge as foreign currency was chased by huge demand.

It was those companies that were liquid, such as insurances, that would continue to have access to the available foreign exchange, given the fact that bidders had to lodge their Jamaican dollar equivalent to their foreign currency demand. The situation was further complicated by the government's 12 percent ceiling on new private sector credit this year, the JMA directors argued.

"I think what the board must say clearly is: We want prioritisation of foreign exchange to the essential sectors of the country... and not to the man with the most money jingling in his pocket," Thomas said.

Most of the directors claimed that caught between the credit squeeze and the inability to have access to foreign exchange, many factories were without raw materials, several were closed or barely operating and significant amounts of staff sent home.

The manufacturers reserved full judgement on new legislation placing the onus on chief executives to ensure that export earnings are repatriated, but rejected plans to enforce the regulations that such monies must come home in 90 days from the shipment of goods. [Words indistinct] of funds to be done in many instances because of the credit terms that the Jamaica manufacturer and exporter has to give his overseas customers," JMA President R. Anthony Williams said.

Williams said that if Jamaica insisted on enforcing the 90-day payment limit for its export proceeds, "the [word indistinct] overseas suppliers may very well insist that the credit period extended to us be reduced to a joint where we will have further difficulties in financing our business."

"We are therefore proposing that the 90-day period for the repatriation of export proceeds be extended to 180 days," Williams said.

CSO: 3298/1143

## SHEARER COMMENTS ON NEW EC-ACP CONVENTION

FL031442 Bridgetown CANA in English 1325 GMT 3 May 84

[By Reg Gratton]

[Text] Suva, Fiji, 3 May (CANA-REUTER)--Third World countries were pessimistic today over what they saw as limited progress in negotiations with the European Community on a new 5-year trade and aid agreement.

Hugh Shearer, president of the African, Caribbean and Pacific (ACP) Ministerial Council, said both sides had to question why negotiations begun 7 months ago had not moved forward.

Shearer, Jamaica's deputy prime minister, was reviewing the state of the talks before ministers and officials from the 64 ACP states and the 10-member community split into negotiating groups to try to agree on terms for a pact to follow the Second Lome Convention.

The convention broke new ground when first signed in 1975, replacing the traditional one-way relationship between aid donor and recipient with a comprehensive trade and aid cooperation contract.

Shearer made it clear that the ACP did not envisage full agreement on a new pact at this third ministerial meeting since negotiations started.

"Our objective must therefore be to make considerable strides forward so that when we leave Fiji we will have recorded significant agreement, and will have established the conditions for rapidly moving towards a successful conclusion," he said.

Shearer asked the community to recognise that its interest in the development of the ACP states was more than purely objective because ACP markets were important to the group.

Claude Cheysson, French foreign minister and president of the community council, was more optimistic on the progress of negotiations but agreed that they had reached a crucial stage.

"We know that these negotiations are difficult. It is not mere chance that the convention we know and which we are negotiating is the only one of its kind in the world," he told the ministerial meeting.

Three ministerial groups are trying to reach common ground. They are expected to report back tomorrow to the conference, which ends on Saturday.

The community wants a clause on human rights written into a new convention but the ACP is expected to resist while an ACP resolution on apartheid is likely to be similarly blocked by the community.

The ACP Council of Ministers has already rejected the community's proposal re-defining of dialogue on aid schemes and programmes which attempts to streamline assistance to involve it more in a country's overall development. ACP members said they felt it could impinge on their internal affairs.

CSO: 3298/1143

## SEAGA ANNOUNCES CUTS IN CIVIL SERVICE

FL251742 Bridgetown CANA in English 1705 GMT 25 May 84

[By Paget de Freitas]

[Text] Kingston, Jamaica, 25 May (CANA)--Prime Minister Edward Seaga, determined to push through his stringent economic policies and drastically slash Jamaica's ballooning fiscal deficit, last night disclosed plans for significant public sector retrenchment and announced 45.1 million dollars (one JCA dollar; 26 cents U.S.) in new taxes to raise the package for this year to 183.6 million dollars.

The prime minister, who is also finance minister, did not say how many jobs would be lost in the public sector, but his estimate that 69 million dollars would be saved by the exercise suggested that it will run in the thousands. The Jamaica public sector is estimated to employ 120,000.

The new taxes will affect drivers to drinkers and shop operators and were announced by Seaga in Parliament as he began debate on the 3.9 billion dollar budget he tabled 2 weeks ago.

But seeking to provide a cushion for the poorest, Seaga also raised the national minimum wage, provided tax relief for earners up to 7,000 dollars a year, and outlined a programme of nutritional support to reach a million people.

The minimum wage for domestic workers has gone from 30 dollars to 44 dollars weekly and to 46 dollars for other workers, while income tax has been abolished for 40,000 people who earned up to 5,000 dollars per annum.

The prime minister's statement came against the backdrop of increasing unease with the International Monetary Fund (IMF) inspired programmes that, apart from local currency devaluations, has seen the government introduce a tight credit policy and a commitment to reduce the budgetary deficit from nearly 16 percent of Gross Domestic Product (GDP) to 8.3 percent this year.

The drive of the government's programme is to attack deficits in the balance of payments which have persisted, despite what Seaga said was his success in halting the other negative trends in the island's economy since taking office in November 1980.

In fact, Seaga said that government had to "show a significant surplus this year" on the balance of payments which would help to put a halt to the drain on the foreign reserves and reduce the need for borrowings to close gaps.

Projected recurrent expenditure is put at 2.9 million dollars and capital expenditure at just over a billion dollars.

Seaga projected an overall deficit this fiscal year of 698 million dollars, against the 1983/84 figure of more than 1.24 billion dollars.

To help achieve this, he plans to increase the recurrent revenue for 1984/85 to 2.719 billion dollars against last year's 1.717 billion dollars.

The government also intends to hold its current expenditure to 2.84 billion dollars--a little more than 400,000 dollars over last year's amount, which has been more than gobbled up by inflation.

At the same time, the 121 million dollars deficit on the current budget and 577 million dollars on the capital side provides the overall 698 million dollar fiscal deficit projected for 1984/85

"The Success of this plan is dependent on holding expenditure to the given levels while raising the resources projected... It is essential that as far as possible, there is no wastage in the public sector," Seaga declared.

It is towards this end that staffing in all ministries, departments and other public bodies was "being carefully reviewed" according to the prime minister.

The exercise will lead to:

Re-assigning staff to productive work, and where not possible termination of employment.

Vacancies no longer being automatically filled, and fulfilling retirements and unless considered necessary not filling the slot.

"The government regrets having to institute this redundancy programme, but the necessity arises from the need to control the cost of government so that the level of borrowings to finance the budget will be manageable," Seaga said.

He said that comparative studies had determined that the Jamaican civil service, in proportion to the population, was the largest in the world.

CSO: 3298/1143

## ARRESTED YOUTH CLAIMS SOLE AUTHORSHIP OF 1 MAY FIRE BOMBINGS

## Controversial Defense Lawyer

Mexico City PROCESO in Spanish No 394, 21 May 84 pp 22-25

[Article by Maria Esther Ibarra]

[Text] "I did it alone. It was not a terrorist act. I did it to protest the exploitation and rising cost of living that the working class of the country suffers and as a method of struggle to demand the appearance of the political prisoners from the Popular Preparatory School....

"I was fed up with the corruption, the antidemocracy of the government, the futility of the strikes, the compromises that the leftist political parties accept for the demands of the workers...."

These are the motives of Jose Antonio Palacios Marquina, nicknamed "El Pato." He confessed he is the "only intellectual and material perpetrator" of the bombings at the presidential headquarters on 1 May.

Who is "El Pato" and what are the real reasons he bombed the National Palace? There are still questions to be answered.

Palacios Marquina says he is 20 years old; he was born in Nezahualcoyotl. Little is known about his parents because he not only denies them but, in his words, hates them: "They tortured me since I was very young." He has three siblings but nothing is known about them. He left home when he was 16 to search for "freedom and political awareness."

He proudly proclaimed: "I am not sorry for what I did. I did not try to hurt anyone or attack the president of the republic but someone had to show the workers' disagreement. Today it was I; tomorrow there will be others to follow my example." (One bomb blew up at the main door of the palace and the other wounded two foreigners and the director of the ISSSTE [Institute of Social Security and Services for Government Workers], Alejandro Carrillo Castro.)

Behind the motives of "El Pato" there is an intricate story of obscure and worrisome facts. The investigation by the judicial authorities does not explain much. The attorney who initially assumed the defense of 12 of the accused has

a controversial background. The statements by Palacios Marquina--the main person accused--are inconsistent.

In his preparatory statement to the fourth district judge of the federal court, "El Pato" admitted his guilt. He confirmed it in an interview with PROCESO. However, he said that they tortured him and his comrades to admit guilt.

In the Oriente Prison, Jose Antonio does not show any distress or concern. On the contrary, he is proud. "I don't expect anything from the government or society. I will leave free through the mobilization of the popular sectors and the proletariat." He feels he is a hero and the majority of those accused recognize this. They were accused of being his accomplices but they deny this. "El Pato" himself acquits them.

In the interviewing room of the prison, he stood and talked with the reporter.

"Early on the morning of 1 May, after we finished printing the parade propaganda, I remained at the preparatory school alone. That was when I prepared the two bombs in some 'Mirinda' containers. I stole the gasoline from a little Datsun. I made the wick with a piece of an old shirt. I went to the parade at 9 am. I put the Molotov cocktails in a knapsack. Before reaching the Mariana door, I took one out and lit it. Everything happened very fast. Immediately after I threw it, people were running. I took advantage of the confusion to slip toward where the 'Cleta' (the independent university theater group) was and did the same thing again. Again everyone ran. I headed for the Pino Suarez metro. I got in a taxi that took me to the prep school. I stayed here until Saturday when they abducted me and Isaac."

#### "I Had It Planned"

He stated that he never hesitated to do it. "I had planned it for some time. I was only waiting for a time like 1 May. I wanted all the workers present to see that someone dared defend them, not like the CTM [Confederation of Mexican Workers] or the leftist political parties."

He renounces these in spite of the fact that the PMT [Mexican Workers Party] defended the workers of the "Refrescos Pascual" bottling company when the owner fired its workers including Palacios Marquina. It is his only known job; he worked for 2 years at the bottling company. His nickname "El Pato" dates from then.

His dark face--with a little beard and a thin, Ho Chi Minh mustache that make him look older--reddens when talking about leftist political parties. He said:

"The PMT's antilabor position disappointed me. It compromised our demands. I decided then to go to the Tacuba Popular Preparatory School in search of better political awareness and a home since I practically lived in the classrooms." He also fell in love there but he does not want to talk about his girlfriend.

He did not aspire to complete a course but to spread his labor political awareness among the students and teachers of the Tacuba Popular Preparatory School.

He said it "has a very noted past with all the popular and peasant movements and with the struggle of the political prisoners which the antidemocratic government of Miguel de la Madrid denies." He added: "At the prep school, I found what I was looking for, what I like: to create political awareness."

There are few students and teachers who are sure that "El Pato" is a student at the Tacuba Popular Preparatory School. Some define him as a "fossil," "political lumpen" or "social misfit" removed from any academic activity at the prep school. There is no record of him. However, "El Pato" insists that he is a second grade student and worker from the independent sector.

Porfirio Martinez Gonzalez, former adviser to the Pascual workers and secretary of conflicts and labor of the PMT, said: "He was a worker at the enterprise and participated in the assemblies although he was not a prominent activist. He behaved nonviolently. I am surprised he is involved in the bombings."

However, "El Pato" insists on his guilt and even admits that they found a 22-caliber gun on him "that I stole from a drunk on the railroad tracks near the prep school."

Dressed in the regulation prison uniform--beige shirt and pants--he talked awkwardly about himself. During this part of the interview, his eyes were glued to the floor. This was not true when he talked about "social themes." His voice was like a leader in front of the masses.

"We demand the release of the political prisoners, the immediate return of the Tacuba installations and the end of the police repression."

In the prison interviewing room, no guard says anything. They only watch.

#### Controversial Defender

The moment "El Pato" and about 100 other people were arrested for the bombings, a defender appeared: Jose Rojo Coronado, "independent lawyer." That is how he introduced himself, stating that he was called by the relatives of the accused.

Those arrested know nothing about him. However, Enrique Ortega Arenas, criminal defender of political prisoners, did. Ortega Arenas handled the cases of David Alfaro Siqueiros and Demetrio Vallejo, among many others. He said of Rojo Coronado: "He is a policeman. He sold out many political prisoners in spite of the fact that he presented himself to defend them. There were the cases of Genaro Vazquez and Lucio Cabanas. He also participated in the Siqueiros' trial. He tried to crush him as the government wanted."

"Rojo Coronado always knows the hour and day when political prisoners are arrested. This occurred with the participants of the 1968 student movement." Eduardo Valle, PMT member, agreed:

"I would not say whether or not he is a policeman but Rojo Coronado is not to be trusted. His stand was unclear in 1968. It is not true that he defended

us. The members of the Strike Committee, the PCM [Mexican Communist Party], Jose Revueltas and Heberto Castillo did not accept him as their defender."

There is, however, another side. Mrs Rosario Ibarra de Piedra who has a long past in the fight for the release and appearance of the political prisoners, said:

"I have dealt superficially with Attorney Rojo Coronado. He has been very correct with me. I have heard many negative stories about him. Although Andrade Gresler always had my confidence, I cannot say the same about Rojo Coronado. In some cases, he acted quickly as in William Morales' appeal. I did not know at whose request he acted on. Later, he stopped defending him. He argued that the young lawyers had to be given the opportunity."

Rojo Coronado was pleasant during the interview with PROCESO. He helped the reporter enter the Oriente Prison. He supplied the formal arrest warrants and the preparatory statements of those arrested.

He is a man of about 50. In his statements, he does not seem to be very sure of what he says. He stated that there is not enough proof of the guilt of his defendants although he admits the guilt of "El Pato." He said: "I don't have the slightest doubt" of that. He added: "A simple confession is not proof. The confession is no longer the best proof."

He is bold in his statements: "The police investigation was prefabricated. The idea of foreign interference is ridiculous and childish. It is a cheap way out by all the presidents of the republic to conceal and justify other motives."

Attorney Rojo Coronado also said he had "not read the files" and "still had not planned the defense." He maintained that there were many constitutional violations in the arrest of the accused to the degree that he demanded "the resignations of the attorneys general of the republic and the Federal District."

#### Others Arrested

PROCESO obtained the police version of the events on 1 May 1984 that same day from Col Hector Fuentes Robles, director general of institutional development of the Secretariat of Protection and Highways of the DDF [Federal District Department]. However, the document did little to help clear up things.

Colonel Fuentes Robles stated in his report, sent to Attorney General Sergio Garcia Ramirez, that not only the 14 arrested but 10 other people were identified that day as responsible for the events. This confirms the versions of the teachers and students of the Fresno Popular Preparatory School that the police, especially the Secretariat of Government, have found the people who can cause problems at any given moment (PROCESO No. 393).

The police document does not recognize the attackers as students but as "pseudo-students." This agrees with the written statement of the Fresno faculty, according to which the perpetrators of the bombings "are evil individuals outside

the Popular Preparatory School who endanger the existence of the school and the lives of teachers and students."

Also the expert reports of the PGR [expansion unknown] verify that those arrested had "injuries that are not life-threatening and take less than 15 days to heal."

Jose Antonio Palacios Marquina alias "El Pato," Demetrio Ernesto Hernandez Rojas alias "El Mao"--the latter accused of having lit the Molotov cocktails which he denies--and the others arrested were interviewed in the Oriente Prison. They stated that they were tortured and received death threats that included their relatives.

All were captured on different days with a lot of violence and taken to unknown places. They stated that they were beaten, given electrical shocks, submerged in the "little well," some had their eardrums broken and hot mineral water inserted in their nasal cavities. They were also tortured psychologically: "We are going to send you to Military Camp No. 1." "We are going to rape your sisters and mothers."

Professor Felix Armando Fernandez Estrada and students Manuel Garcia Hernandez and Moises Pedroza were also accused but they swear they were not even in the Zocalo on 1 May. They say they can prove this.

All say they are innocent except "El Pato" who assumes total responsibility and is proud of it.

When the police presented them to the communications media on 9 May, they first bathed them and shaved them. According to the accused, they also instructed them, told them what to say. They even rehearsed the scene three times. "El Mao" stated that he had to repeat the television take "because they did not like the way I was talking." The third time a guard threatened him: "Say what we told you or you'll be sorry."

#### Other Detainees Named

Mexico City PROCESO in Spanish No 394, 21 May 84 p 23

[Article by Maria Esther Ibarra]

[Text] Guilty or innocent? The fate of the 14 people allegedly responsible for the events on 1 May might not be known until 9 May 1985, term the law gives for the judge to pass sentence.

Without right to release on bail for the commission of 10 federal and common crimes, the accused will have been in jail for 11 days this Monday. The 12 adults are in Oriente Prison and two minors at the Tutelary Council.

FENAD [National Front of Democratic Lawyers] reported that, at the request of relatives of those arrested, it will assume the defense of several but not Jose Antonio Palacios Marquina, "El Pato," since no one requested it.

On Wednesday, 9 May, the attorneys general of the republic and the Federal District arraigned Demetrio Hernandez Rojas, alias "El Mao," and Palacios Marquina for the crimes of manufacture and storage of explosives, damage to other's property by explosives, criminal association and endangering health for possession of marijuana.

The latter was also arraigned for carrying unlicensed firearms. Both were accused of having lit and thrown the "Molotov" bombs at the National Palace, respectively.

The following were also arraigned for the same crimes: Cruz Martinez Hernandez alias "El Yogui," Mario Estrada Baltazar alias "El Enojon," Isaac Lopez Molina, Moises Pedrosa Gallegos, Diego Rafael Garcia Bautista alias "El Cacho," Guadalupe Ortiz Arreola, Raul Alfredo Vazquez Vazquez alias "El Pollito" and Felix Armando Fernandez Estrada.

All were arraigned for the following crimes: armed robbery, damage to other's property by fire at units of public transportation, damage to other's property in businesses and other private installations, robbery of agents of authority and robbery at different installations against individuals.

Most of the accused were arrested on 5 May around the Tacuba Popular Preparatory School.

As this issue went to press, the Tacuba school was still in the hands of the police. The students and teachers agreed to hold classes in the gardens of Ciudad Universitaria until the installations are returned.

7717  
CSO: 3248/653

## BRIEFS

ILLEGAL ARMS SHIPMENT SEIZED--Mexico, D.F., 21 May--Two R-15 machineguns command caliber 223, two 22-caliber pistols, 1,014 machinegun cartridges and 505 for pistols were seized today at the capital airport by members of the Customs Guard. That weapons shipment was being brought into the country illegally by Martin Revuelta Cazares and his brother Miguel. They came to Mexico City from Los Angeles on Mexicana de Aviacion Flight 165. The alleged smugglers carried five bulky suitcases which aroused suspicion among the Customs Guard inspectors. They immediately searched the suitcases carefully. There they found the cartridges and the weapons mixed in with the clothing. They immediately arrested them so they could explain the reason for this cargo. During the interrogation the suspects stated that the weapons would be used to hunt birds in Michoacan State. This story was not accepted by the commander of that office who turned them over to the Federal Public Ministry adscript to the metropolitan air terminal for the corresponding investigation. It should be pointed out that the R-15 machineguns are used by urban guerrillas in Central America since they are considered easily maneuverable arms with a dual mechanism--that is, they can be adapted to fire 50 bullets or 1. [Text] [Monterrey EL NORTE in Spanish 22 May 84 p 16-B] 7717

CSO: 3248/653

## AERONICA: SERVICE, EXPANSION PLANS, IRANIAN COOPERATION

Managua BARRICADA in Spanish 26 May 84 p 5

[Text] "To acquire greater knowledge, so as to be able to fly our company's large planes, is the goal of us revolutionary pilots," declares Raul Martinez, aged 26 and a pilot for AERONICA since 1981, "thanks to the revolution," as he told BARRICADA.

Raul is one of the 20 Nicaraguan pilots operating the national airline's planes, along with 10 other pilots of different nationalities and with greater experience, who handle the large planes in particular.

But Raul's ambition to be able to handle AERONICA's jets is not just a matter of professional self-improvement. It is actually because, as he says, "we lack trained pilots, and we are losing dollars too."

The foreign pilots who are working for AERONICA earn \$3,000 in free currency, not counting housing costs. Raul, who at present is trained to handle only the company's C-46 and C-47 aircraft, earns 9,600 cordobas.

During his spare time, like many Nicaraguans, Raul is also a "militiaman of the air," because "I am always at the disposal of the Sandinist Air Force (FAS) for the defense of our fatherland," as he comments.

#### A New Airline Concept

The vice-minister of transportation for the aviation branch, Mario Salinas, recounts: "AERONICA had to come into existence almost without personnel, because most of the skilled aviation workers were working for LANICA, the airline which was the personal property of the dictator and which left the country upon the victory."

Nevertheless, it has been able to progress amid great difficulties.

AERONICA was set up on four levels: management, consultation and planning, operational administration and the human resources division. Upon the creation of the Technical Institute of Aeronautics (INTECA), there began the training of pilots, flight engineers and aviation mechanics, many of whom are now making the air company operate.

With eight airplanes (two DC-6's, one C-46, one C-47, one DC-3, one new CASA C-212 turboprop and two Boeing 720 and 727 jets), AERONICA flies to Miami four times a week, to Mexico three times a week, to El Salvador twice a week, and to Costa Rica and Panama every day. The cost of the fares ranges from 15,000 to 6,000 cordobas.

The flights to the two latter destinations are made partially through cooperation agreements with the SAHSA airline of Honduras and TACA of Panama.

The national airline takes 42 percent of the passengers entering and leaving the country and, by way of example, during 1983 it made 5,183 flights, on which it carried 155,925 passengers.

During that same period, AERONICA shipped a total of 21,394,700 pounds of freight inside and outside the country; because the company carries 76 percent of all the freight entering and leaving the country.

Whereas, during 1982, AERONICA carried a total of 117,000 passengers, last year the figure increased by 32.2 percent. During the first quarter of 1984 alone, it carried 21,600 passengers on its routes to Puerto Cabezas, Bonanza, Siuna, Bluefields and Corn Island, as well as 23,000 persons to their destinations abroad.

Of the five international routes that it covers, the Managua-Miami-Managua one accounts for 41.9 percent of its passenger operations and 50.4 of the freight operations, followed by the routes to Mexico, Panama, San Jose and El Salvador.

Another service provided by the airline is the special or "charter" flights, particularly for students traveling to Havana, Cuba, as part of the exchange programs arranged between the Ministries of Education of both nations.

But AERONICA's national flights have also assumed a major role since the escalation of the war that the United States is waging against our revolution.

In view of the sabotage and the threat represented by its mercenaries lodged on the Atlantic Coast, the air communications are being replaced to a large extent by land transportation.

The Goal: Europe

AERONICA has expansion plans that are closely linked to the training of new personnel at INTECA, in Mexico and in other friendly countries.

The most ambitious goal that has been proposed for it (Salinas explained) is to make regular flights to Madrid, Spain, which means connecting the "rainbow line" with the old continent.

But doing so also entails the purchase of more planes, the millions in cost to be paid in dollars. Today, AERONICA's mechanics are expending great efforts to keep the existing aircraft in good condition, even though this may delay the flights.

A dilemma that AERONICA will have to face over the medium term is that its 720 jet will not be able to fly to Miami starting in 1985, when regulations agreed upon by the United States civil aviation office against that type of aircraft, because it claims that the latter produces too much noise, go into effect.

The vice-minister remarks: "It is obvious that the underlying reason for this measure is to force the Third World countries to renew their planes, making them purchase new models produced by American companies."

Nevertheless, the national airline will have to abide by the ruling, and how much does it cost to buy a used 727, not counting its spare parts? The answer gives an idea of the magnitude of the problem: at least \$3.5 million. A new one could cost as much as \$8 million.

We must add to this the fact that it is difficult to find anyone willing to finance the purchase of a used airplane.

#### Cooperation; the Answer

The answer is being sought in international cooperation and solidarity and, in this context, Sergio Ramirez, a member of the Government Junta, arrived at some agreements with the Iranian Ministry of Transport during his recent official visit to that country.

A delegation headed by Comrade H. Hafssarian, assistant to the Iranian vice-minister, and including directors of the Iranian Airways company as well, is currently visiting Nicaragua to formalize the areas of cooperation.

This cooperation between the two countries assumes major importance at a time when the Reagan administration has taken its imperialist war against our country into the realm of commercial aviation as well.

During the last quarter of 1983, the State Department contradicted the civil aviation authorities that had authorized AERONICA's flights to the city of Los Angeles.

The excuse was that reprisal action was being taken because Nicaragua had expelled three CIA agents who attempted to poison Foreign Minister D'Escoto.

During recent weeks, some foreign broadcasters have hinted at the possibility that our airline's access to Miami may be cut off, as part of the economic aggression against our country.

2909  
CSO: 3248/668

## ENAMARA: BEEF PRODUCTION, U.S. MARKET, ILLEGAL SLAUGHTERING

Managua BARRICADA in Spanish 17 May 84 p 5

[Text] Nicaragua is getting ready to negotiate with other countries if ever the US decides to shut off the market for Nicaraguan beef, Ignacio Bustos, Director of the National Agrarian Reform Slaughterhouse Agency, ENAMARA, said yesterday. To date, ENAMARA, which operates 8 domestic slaughterhouses, controls slaughtering and some aspects of distribution and marketing, has received no reply from the U.S. Department of Agriculture on this matter.

Bustos said that current ENAMARA production is 22.4 million pounds of which 12.9 are earmarked for domestic consumption and 9.4 million for export. As of 4 May 71,900 head of cattle had been butchered for an average of 705 head daily. ENAMARA contributes 73 percent of the nation's production and 56 percent of domestic consumption, without inclusion here of uncertified, illegal or clandestine slaughtering, according to last year's figures.

A Ministry of Agricultural-Livestock Development and Agrarian Reform [MIDINRA] official reported that as of this moment a considerable reduction in production is being recorded inasmuch as we are in the period known as that of the "lean kine," i.e., summertime which extends from March to August, inclusive. This perceptible dropoff is most noticeable in May and June. It is during this period that people take advantage of the slight wealth accruing to slaughterhouses from livestock to provide maintenance to processing plants, with some of the slaughterhouses closed. This situation is normal and occurs every year.

Bustos likewise acknowledged that during this period problems arise over supplying the product to the public, but this is being worsened somewhat because the production of substitutes (other meats) does not actually satisfy the demand. He reported that distribution channels are the traditional ones and said that there are many difficulties in price control. He added that ENAMARA adheres to official prices but that they are not respected by speculators and even in some supermarkets they are too high. Prices, Bustos stated, should not have gone up since July of last year.

Referring to other aspects of production, he stated that clandestine slaughtering is what is affecting income from livestock for slaughterhouses. He added that even though the exact figures are not available it is considered that a good percentage of the meat consumed locally comes from illegal slaughtering which, furthermore, takes place in unsuitable, unsanitary conditions.

Lastly he pointed out that this year they will be unable to fulfill production goals and that with difficulty they will be able to attain the 320,000 head of cattle butchered last year on the national level.

9436  
CSO: 3248/666

## BRIEFS

FOOD SUBSIDIES BURDEN INCREASING--In the coming weeks the government will implement measures to guarantee the public greater access to the basic food products through state distribution channels. The state has been implementing its policy of subsidies under the headings of prime necessity since the triumph of the revolution by upholding workers' real wages, which has allowed for holding down price levels on corn, beans, rice, sorghum, milk and sugar. Last year's food subsidy reached \$96.6 million, an Agrarian Reform Investigation Center (CIERA) source revealed. The policy of controls which will be implemented in days ahead is based on the setting up of a broad network of reliable distribution channels (public retail stores) which will provide public sectors access to products such as chicken, meat and eggs, among others, products often subject to speculation. However, the main problem confronting the fiscal economy is the impact of the subsidy on the fiscal deficit. While the subsidy has been increasing over the past 4½ years, because of imperialist attacks the state has stopped developing programs in various fields which require large investments such as construction of health centers, schools and other infrastructure projects, our source maintained. But the government is also becoming involved in major subsidy outlays when it must finance budgets for administrative and financial operations by the Nicaraguan Agency for Basic Foodstuffs (ENABAS), primary state distribution channel, which absorbs approximately \$30 million, i.e., one-third of the total subsidy for basic grains (rice, beans, corn). [Text] [Managua EL NUEVO DIARIO in Spanish 22 May 84 p 5] 9436

CSO: 3248/666

## APRA'S PROSPECTS FOR WINNING 1985 ELECTIONS VIEWED

Lima CARETAS in Spanish 28 May 84 p 13

[Article by Manuel D'Ornellas]

[Text] With the APRA [American Revolutionary Popular Alliance] presidential slate already formed, with Senator Sanchez and Deputy Alva Castro as running mates of Alan Garcia, the electoral campaign has de facto been initiated.

Thus the country is entering that torrid season which precedes every election, during which political, governmental and parliamentary activity experiences its most acute distortions.

Aprism, to a greater extent than on other occasions and with visible sincerity, considers itself in advance to be the winner at the ballot boxes. Wagering that in next year's elections the opposition will be APRA or Unified Left [IU] accentuates its autonomous ideological position with a view to benefiting from the anticomunist vote.

This is certainly premature euphoria, although the polls are favoring the youthful Alan, who last week turned 35. In 1980 the public opinion polls indicated that the winner would be Armando Villanueva until well into the campaign; the same thing happened in 1983: all the polls put Alfredo Barnechea at the top of the people's preference list. But as you know: Villanueva as beaten by Belaunde 4 years ago, and the current mayor, Barrantes Lingan, won the municipal contest.

Of course, it is very possible that this time the electoral dice will be cast in favor Aprism. Popular Action [AP] has not yet recovered from the beating it received from the ballot boxes. The PPC [Popular Christian Party] remains in a state of paralysis at a time when its principal leaders should be traveling through the country, aware that their sole more or less secure bastion is Lima.

In the United Left, on the other hand, deep splits are beginning to become visible, weakening its structure and shattering its image. The plan of three of the parties of which it is composed to unify in a Mariateguist movement--that is, a movement which will try to vindicate the thoughts of

the current prime minister's father--has produced frontal attacks from Muscovite communism which, as is known, is the backbone of the IU and its principal economic and press supporter. In this regard, we should not rule out a possible split in the IU.

If such a split occurs, APRA will have to reformulate its plans and moderate its electoral optimism. A divided extreme Left would have difficulty putting together a solid political alternative. All the more so if, as it appears, Barrantes refuses to accept the presidential nomination, or while accepting it goes into the election weakened by his controversial municipal management.

In this event, a third candidate could perfectly unite the anti-Aprist vote, which perhaps is numerous as the anticommunist vote. And, if AP and the PPC do not succeed in reaching an agreement or fail to select a common charismatic candidate, that third candidate in the contest could be Gen Morales Bermudez. Everything is possible in the realm of the unknown...

In the meantime, APRA is running alone, without any visible competition. But time will tell. Something that certainly has not escaped Alan Garcia who knows how to plan his absences from the country with as much care as he does his televised presentations.

8143  
CSO: 3348/453

SANCHEZ' ELECTION AS APRA VICE PRESIDENTIAL CANDIDATE VIEWED

Lima EQUIS X in Spanish 28 May 84 pp 19-20

[Article by Benjamin Odriozola]

[Text] Luis Alberto Sanchez [LAS] finally came into his own and was elected last Sunday as the Aprist Party's candidate for the first vice presidency of the republic. Apart from his merits as a widely known intellectual inside and outside the country, that election of LAS did not satisfy those who are aware of the rightist position of the former PAP [Aprist Party of Peru] leader, who blurs his party's image as the present expression of a renewal current. And even less did it satisfy those who know Sanchez' propensity for using any method to attain his objectives and goals.

Sanchez' Pressures

In fact, a few days after he was elected as a candidate on the slate headed by Alan Garcia, LAS was already threatening to renounce the candidacy if there is not an immediate resolution to hold a party convention to modify the agreements of the last PAP Congress and establish that 70 percent of the persons on the parliamentary candidacy slates be elected by the rank and file, leaving the remaining 30 percent to be nominated by an ad hoc committee of Aprist leaders, selected by the Political Committee of which he is the chairman.

Apart from its undemocratic character, that system which has no resemblance to the method used in the election of the presidential slate has encountered serious resistance for the following reasons:

1. Such a decision even if approved by the Political Committee and a National Convention of the party would be in violation of a resolution adopted by the highest organization: that is, the National Congress.
2. The decision would generate new and serious problems because it would have to be determined what place on the slates those who are hand-picked would occupy: The top, middle or bottom of the slate?

What is more, that proposal would have the end result of nominating candidates who do not enjoy popularity inside or outside the party, such as Alfredo

Barnechea, Remigio Morales Bermudez and other similar persons.

The discontent within the Aprist activist sector is very great in the face of the above-mentioned proposal by LAS and with respect to the methods that he has been using to secure its approval. It is hoped that Alan Garcia, in response to the generalized uneasiness, will put an end to Sanchez' pretensions and prevent them from succeeding, as this would do much damage to the party.

Armando to the Secretariat General

On the other hand, Luis Alberto Sanchez is said to be pressuring Alan Garcia to remain as secretary-general of the party, even if he is elected president of the republic, in an excessive and antidemocratic concentration of power. Or, at the proposed convention where there would be a discussion of the parliamentary candidates, he should appoint a new secretary-general with rightist leanings. It is said that LAS' candidate is Ramiro Priale, a former, experienced hand at the putting together of combinations with the extraparty Right.

According to party statutes, Alan Garcia would be replaced by the party deputy secretary general, Jorge Torres Vallejo, or, in his absence, by Luis Felipe de las Casas, who follows him in the hierarchy. But, as is known, it is very likely that both men will devote most of their efforts in the next few months to the election campaign, as they reportedly will be on the slate of parliamentary candidates.

Facing the necessity of accepting as a way out the appointment of a new party secretary general, in view of the circumstances noted, there is a broad and vigorous current of opinion among the activist Aprists who consider it indispensable to appoint as secretary-general a person who is capable of fully carrying out the duties which he would have to perform for the party, once its leaders accede to the government.

It is felt that once in power the party should play a role principally of moral and political conscience and not only a force of support and popular mobilization, as has happened with other parties. In this way, the party will avoid having government commitments decisively outweigh and divert the Aprist government from the nationalist and renewal line which it is now presenting.

To guarantee that the party will be in a position to duly fulfill this high-level control function and keep from becoming a mere appendage and a government sounding-board, the party's activists feel that the head of the party should be a definite and prestigious personality. From this stems the powerful current which supports the election of Armando Villanueva as the new secretary general. This election is being opposed in particular by Luis Alberto Sanchez, for whom Villanueva's promotion would not be welcome, as it would mean a great counterweight to LAS' rightist views.

8143

CSO: 3348/453

## BRIEFS

APRA, IU CAMPAIGN STRATEGY--The imminence of the general elections--there are only 10 months until the first round--has caused quite different behavior in the principal parties of the opposition; the PAP [Aprista Party of Peru] and the IU [Unified Left]. While the latter is stirring things up all over in the belief that in this way it will demonstrate its revolutionary dedication, the former is showing signs of unusual moderation. Last week both attitudes were exemplified. The ultras busied themselves promoting student disorders in Lima and in several cities in the interior; and, during their principal action in recent times, they mobilized thousands of Cuzco peasants and demonstrated the ties existing between subversion and drug trafficking. Fortunately, they failed. On the other hand, the Aprists apparently have left the radical stage behind them and are attempting to present themselves to public opinion as the "loyal opposition." This was manifested by the fact that the PAP voted in the Senate in favor of granting legislative powers to the president, although with unusual parliamentary supervision--and the selection of two moderates, Sanchez and Alva Castro, for the presidential slate. What is more, leaving the "SEASAP" [expansion unknown] behind, Alan Garcia stated that in order to lift Peru out of the crisis the collaboration of everyone is needed. It remains to be seen whether this behavior is an election ploy--that is, whether the PAP is simply trying to distance itself from the IU to capture moderate and independent votes, including those of the AP [Popular Action] and the PPC [Popular Christian Party] so as to come out of the first round with flying colors and 51 percent of the votes or whether this is simply a tactic. In any case, the present Aprist attitude is doubtless propping up democracy and the Aprist leaders desire to refrain from burning their bread before they get it into the oven must have figured in their decision to exhibit a moderate image. [Excerpt] [Lima OIGA in Spanish 28 May 84 pp 17-18] 8143

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## ENVOY TO NETHERLANDS DISCUSSES RELATIONS WITH U.S., CUBA

Rotterdam NRC HANDELSBLAD in Dutch 26 May 84 Supplement pp 1, 8

[Report on interview with Henk Heidweiller, Suriname ambassador in The Hague, by Sytze van der Zee]

[Text] "I am not a revolutionary in the classic sense of the word. I don't stand on barricades, I hate slogans, but I have always tried in my own way to keep our leaders from making decisions which, in my view, were incorrect, impractical, illogical and unfair," says Mr Henk Heidweiller (55), the new Suriname ambassador in The Hague. Pensively he lights a cigar and reflects on his words.

For about 3 years he served in Washington where, in his words, he was "the most frequently summoned ambassador." The Suriname embassy is located on the sixth floor of the prestigious Watergate complex along the Potomac. On a table in his spartan waiting room is the April issue of the monthly TRAVEL & LEISURE with a cover story about the Netherlands. On the cover is a Dutch windmill in the red glow of the setting sun.

"I really ought to get some more revolutionary literature now," Heidweiller jokes. Although there are a considerable number of people who do not have much faith in him--a "weathervane," in the words of a high Dutch official--, the normally very laconic Heidweiller himself has never left any doubt about his disagreement on many points with the regime in Paramaribo. For example, he is part of the small group of high Suriname officials who refuse to explain away the December murder of their 15 compatriots. The group believes that it is still not too late for strong man Desi Bouterse to openly confess guilt, with the acknowledgment that the leadership had acted wrongly because, at the decisive moment, all stops were pulled. The Suriname people have a forgiving nature, in his view.

Heidweiller also opposed an alliance between Suriname and Cuba, which was not appreciated by the radicals of the PALU [Progressive Workers and Farmers Union] party, which was meanwhile maneuvered to the sidelines. The ambassador himself: "I told the commander several times, both orally and in writing, that an alliance with Cuba would be dangerous for our country. Personally I don't harbor bad feelings for Cuba--I still have many friends there--and I am an advocate of normal relations. But by entering into special relations we could easily get drawn into the East-West conflict and therefore isolate ourselves on the American continent."

Looking back, he ascertains: "It is a pity that the Suriname request to Cuba to call back Ambassador Cardenas and some of his collaborators coincided with the American invasion in Grenada. That created the impression, entirely unjust, that our action against the Cubans was a direct result of the invasion. We definitely did not get cold feet. However, as a result the American attitude toward us was suddenly much more open after that."

[Question] You were given the task of improving relations between The Hague and Paramaribo. How do you plan to do that?

[Heidweiller] "I don't have a method in mind yet. It is a difficult task, partly because I am no longer accustomed to the Netherlands. I know a great deal about the Netherlands, but the more you know about a country, the more mysterious it seems. The mosaic of facts which I have with respect to the Netherlands leads to a continually greater degree of discrimination and divergence, which could certainly obscure my thinking."

"In spite of this colorful totality of facts and personal relations, however, I am aware of the fact that the Dutch people continue to retain certain unalterable qualities. The Netherlander is direct in his approach, often almost blunt; he is honest, except when he lets himself be influenced by dogmas. He is friendly, which is also obvious from the fact that since the 16th century the Netherlands has been a refuge for people from many different kinds of countries.

"Further the Netherlander is businesslike, but at the same time emotional. Relying on those unalterable qualities, I will try to foster a little more understanding for our real problems. Naturally, in striving for an improvement in relations, I shall always put first the fact that we, Surinamers, should never let ourselves be humiliated. And I really don't believe that the Netherlands wants that."

According to the Suriname ambassador, his unfamiliarity with the Netherlands is primarily a result of the fact that during the past 10 years he has concentrated mainly on the position of Suriname in the Third World as well as in South America and the Caribbean area. For him it is an "inevitable fact" that Suriname should integrate itself in the region.

He says: "I know that because of our historic development we are still concentrating entirely on the Netherlands. There are numerous ties which bind us together: the language, culture, education and, furthermore, personal ties. Much of our trade is directed at the Netherlands. Several of our important industries are still based on Dutch technologies. All these factors justify a rapid normalization of relations and even make it essential.

"Therefore it can be deduced from my appointment as ambassador in The Hague that the Suriname Government and Commander Bouterse are sincere in their striving for normalization. This should not be seen exclusively as an attempt to open the channels for development aid again. Even if that aid did not exist it would be necessary to make relations viable. One should not underestimate the traumatic effect of the simple fact that one third of our compatriots live in the Netherlands.

"I do admit, however, that I do not find a too strong orientation of Suriname toward the far-away Netherlands a healthy phenomenon. That hampers our fundamental striving of adapting ourselves physically and mentally to the peoples of Latin America and the Caribbean area. Already that integration will be a very slow and laborious process because we Surinamers are not entirely convinced of that simple necessity. The same is true for the government policy, which is demonstrated by the fact that Spanish is still not compulsory in grade school."

[Question] In the Netherlands the December mass murder still has not been forgotten. How do you plan to normalize relations in spite of that?

[Heidweiller] "There must be a way to get the two governments together again, especially since the Suriname people are very anxious for a normalization. The December event naturally has created a psychological distance. But although I have understanding for the reluctance, the resistance on the part of Dutch politicians, I believe that a solution must be found for the psychological problem. Ultimately the events of December '82 cannot be the only criteria for the attitude of the Dutch Government with respect to Suriname.

"If that should be the case, it would be difficult to arrive at a satisfactory solution for the problems of the Suriname people and for the problems between the Suriname and Dutch people and those between the Suriname and Dutch governments. One should remember, however, that when the Dutch Government decided not to let us go empty-handed at the time of the Suriname independence, it was already aware of our life-size problems.

"Therefore it made a very generous gesture. Not for the sake of the Arron Government or to pay off a debt of honor, but because the ten politicians wanted to enable the Surinamers to build an economically strong nation with that aid. The Dutch Government wanted to create certain fundamental conditions for our economy and help improve our economic structures. If we keep in mind that those objectives are still just as valid, we can reduce the psychological problems."

[Question] During the past 1½ years Suriname relations with the United States have not been much better than those with the Netherlands. How are those relations now?

[Heidweiller] "It was not easy in Washington, even though I am convinced of it that my time in The Hague will be even more difficult. The American Government, which is already following the developments in Central America with some concern, analyzed the situation in Suriname in the light of U.S.-Soviet contrasts, including Cuba.

"Every attempt to convince the American Government that they had to see the Suriname problem separate from the Cuban one was frustrated by this. But gradually the American viewpoint has become a little more realistic, partly because we came up with good arguments. For example, I was able to point out that the Suriname Government truly behaved as a non-aligned country.

In the United Nations we always voted against the aggression of the Soviet Union against Afghanistan and we also continually condemned the Vietnamese invasion in Cambodia."

[Question] Do you think that the American Government entertained the idea of intervening in Suriname?

[Heidweiller] "The government always denies it, but I do indeed think that the CIA entertained that idea and also approached the Congressional committees--for the intelligence service. I don't have any proof, but I do have strong indications that the American Government would have been much more likely to make a decision on an action against Suriname if it had been given a green light by the Dutch Government. Therefore I must admit that the Netherlands on this point has acted in accordance with international justice and international law."

[Question] Are you Bouterse's secret weapon in Suriname's last desperate offensive? During the past 1½ years you have gone on several goodwill missions through South America. You were also the delegation leader at the meeting in Geneva of the United Nations Commission for Human Rights.

[Heidweiller] "I am not the secret weapon of Commander Bouterse. I should mention, however, that since 1980 a certain rapport has developed between him and me. That is due to two things. In the first place I took the stand-point that the military in my country wanted to bring about a new situation, a new order. Naturally most of the military involved in the coup were not completely politically conscious of that, but the leaders were."

"In the second place, in my opinion it was best to approach the military with an as honest presentation of the facts as possible and with an honest opinion on those facts. I believe that the military gradually have become more and more convinced that I am honest and have good intentions for my country. I want to emphasize this point because many of my non-military compatriots who had to cooperate with the military made the mistake, not uncommon in Suriname, of playing up to them. This was the case with groups who after the 1980 revolution again and again used the word revo--an abbreviation of revolution. They loudly cheered their own actions which they attributed to the "bevel"--an abbreviation of commander. They tried to sell the military, and particularly Lieutenant Colonel Bouterse, all kinds of progressive ideas, such as an alliance with Cuba, without even looking at the map.

"They forgot that such an alliance would be indigestible to the Brazilians and the superpower in the north. And now I'm getting back to my rapport with the commander, in which I want to stress the fact that I am not one of those who agree with him in all respects. He knows that too. But in the past 4 years I have ascertained that Lieutenant Colonel Bouterse is sincere in his plans to make an independent state of Suriname."

"Internally he wants to bring unity about among the various levels of the Suriname population. Another reason for a better understanding of the commander, a very important one for me as a diplomat, is the fact that at critical moments he made the best decisions for our country with respect to

foreign affairs. It is his steady and rigid standpoint that Suriname must be kept outside of the East-West conflict since it pursues a true non-aligned policy.

"He further sincerely strives for a normalization of relations with the United States and he has taken practical steps to promote that. For example, he has adapted the continuous anti-American attitude of our government media to his policy. Another very important point is that he and his realistic collaborators enthusiastically promote the opening to Brazil. This is a cornerstone in our foreign policy since it will lead to lasting and concrete relations with the countries in Latin America and the Caribbean region."

[Question] Do you really believe that a revolution is taking place in Suriname?

[Heidweiller] "I have thought about that at length. At the beginning I saw the military intervention purely as a power coup, similar to the coups which plague Latin America. Gradually I have revised my standpoint and ultimately I became convinced that a return to the system of before 1980--thus an order based on race--would be disastrous. During the past year there has been an enormous amount of discussion on the question of what the new order should be like, and I don't believe that the military have found a definite answer."

[Question] In South America one used to look at Suriname with some envy because it was known as a relatively prosperous, democratic, and stable country. Was it worth it to endanger that relative prosperity?

[Heidweiller] "How long could that prosperity have lasted? We always spent more than we earned. We imported way too many luxury items. This also came out very clearly during our discussions with the International Monetary Fund. We never quite understood that we were living beyond our means. Even without considering whether the revolution will succeed or not and whether the Dutch development aid will be resumed, we will never be able to build a healthy economy if we do not increase our production. With or without the revolution we would still have been confronted with reality."

[Question] What do you think of the people of PALU, who announce all kinds of revolutionary theories?

[Heidweiller] "As a former politician and diplomat, I am primarily a practical person. It is not in my nature to daily shout 'revo' and participate in demonstrations against one thing or another. My knowledge of history has taught me that revolutions in general do not succeed. But if I am asked whether the leaders of Suriname are trying to effect a change, I sincerely must say yes. The leaders know, however, that it will not be simple to bring about real unity among Surinamers.

"They experience it as a painful deficiency that they still have not been able to convince the majority of the Suriname people that a return to the

old system, based on race, will lead to another Lebanon. They have also been hurt badly by the fact that consecutive revolutionary governments existed more or less in a vacuum. Hence the military became convinced after the December strikes last year that the people should become more involved in the revolutionary process. It is to be hoped that the new cabinet under the leadership of the very honest and intelligent Wim Udenhout will succeed in strengthening the ties with the majority of our people."

[Question] In Suriname all the problems are currently being blamed on the political parties from before 1980, which supposedly were corrupt and racist. You yourself were parliamentary group leader of the Progressive Suriname People's Party for a number of years. Do you also consider yourself responsible for the current problems?

[Heidweiller] "Indeed I feel that way. Together with a group of academicians I was elected in 1958 during free, general elections, and I worked with leaders such as Pengel, Lachmon and Soemita. Regretfully I must admit that my colleagues and I accepted the established order, the existence of parties based on race, as a firm given. We thought things wouldn't turn out too badly, and we tended to describe Suriname as a peaceful community with all sorts of diverging groups, a sort of United Nations. We didn't wonder where all that would lead when Lachmon and Pengel made room for less humane and intelligent politicians.

"We hardly talked at all about the history and future of Suriname. In fact, we lived from one day to the other. But the population never resented us for that, for it was used to being in a dependent position. After 1980, there were people, however, who saw me as a person of the old order. That resistance has decreased because the leaders realize that they can only materialize their ideal of unity with support of both young and old people."

[Question] The Dutch Government is continually accused by Suriname that it aids the Suriname resistance. Do you agree with that reproach?

[Heidweiller] "I certainly believe that the Netherlands has given material help to people who fled from Suriname. Those also include individuals who are extremely opposed to the Suriname Government. In my opinion the Dutch Government has sometimes created the impression that it really sympathized with those people. Moreover, certain statements were made on the part of the Netherlands which were unfortunate, such as after the latest events in French Guiana.

"At the time it was stated that the independent position of the judicial authority in the Netherlands would not permit an investigation into the actions of the conspirators in French Guiana. I know one is not allowed or able to influence the judgments of the Dutch judge, but the abrupt rejection of an investigation really went too far for me as a jurist."

[Question] Another Suriname reproach is that the Dutch media are pursuing a campaign against your country.

[Heidweiller] "Frankly, I don't find the Dutch media the easiest in the western hemisphere. During the past 25 years they have acquired a more and more rehearsed tone. The facts are often judged and represented from dogmatic positions. The term cruise missile, for example, has acquired an almost theological significance in the media. I cannot condemn it, but it certainly does not facilitate the discussion."

[Question] About 200,000 Surinamers live in the Netherlands. How do you imagine contacts with your compatriots will be?

[Heidweiller] "That is a complex problem. The majority of my compatriots have been entirely absorbed into the Dutch society. This group will also stay in the Netherlands permanently, which does not alter the fact that these people will always have a special place in their heart for their native country. A much smaller number of people cannot get accustomed to the cold Netherlands and many would like to return to Suriname."

"They are welcome, but they should realize that Suriname has changed. Our country, for example--whether they like it or not--will have to adapt to the American continent. Their views, formed at Dutch universities, will have to be adapted to the Suriname reality. And finally there is a small group of die-hards, people who reject every compromise in advance.

"I understand the causes of their bitterness completely, but I cannot approve of their manner of acting. As long as they conduct themselves in accordance with the laws of the country where they are established and in accordance with the principles of the international legal order, I am willing to talk to them. I will not get involved, however, in mutual relations between the Suriname groups in the Netherlands."

[Question] You studied in the Netherlands, at the University of Nijmegen; you were in the Dutch diplomatic service; your sister lives in the Netherlands; your daughter is married to a Netherlander. What are you: a Surinamer with Dutch backgrounds, a Netherlander who opted for Suriname, a frustrated repentant voter?

[Heidweiller] "That question is simple to answer. I am a man who feels himself exclusively bound to Suriname soil, and to the qualities and deficiencies of particularly the common Suriname people. Only in that way can I feel more or less happy. Hence I hope I will end my career in the service of Suriname. Simultaneously I recognize that much has happened which should not have happened.

"I too am often disturbed by the slowness with which problems are tackled in our country, by the indecisiveness, the emotionality which is not appropriate in a time in which we have to put our affairs in order. Moreover, I am sorry that things are happening which make Surinamers unhappy, but my fate is tied to that country."

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CSO: 3214/51

## CENTRAL BANK 1983 ECONOMIC REPORT

FL042354 Bridgetown CANA in English 2309 GMT 4 May 84

[By Rudi Williams]

[Text] Port of Spain, Trinidad, 4 May (CANA)--Trinidad and Tobago last year recorded a 2.7 percent decline in its gross domestic product (GDP), the first since an oil-fueled economic boom started in 1974, according to the 1983 Central Bank annual report tabled in Parliament here today. "Nineteen eighty-three clearly marks the end of the period of economic expansion which began in 1974," the bank said.

The international price of oil, Trinidad and Tobago's economic mainstay, skyrocketed in the [word indistinct] but a drop about 3 years ago brought reduced revenues and a subsequent downturn in economic activity.

The report noted that GDP--the total value of goods and services produced in a country--had settled on a lower growth path since 1980 when the expansion rate fell to 3.0 percent compared with an annual average of 6.2 percent in the 1974-79 period. "The main reason for this was the decline in the oil sector which partially offset the continued strong expansion of the non-oil sector of the economy," it stated.

The Central Bank said the declining revenue situation caused by slashed world oil prices had resulted in a balance of payments deficit of 2.1 billion dollars (1 TT dollar; 41 cents U.S.) in 1983 compared to 527 million dollars in 1982.

According to the Central Bank report, the government last year incurred its second consecutive overall deficit on its fiscal operations. The 1983 deficit amounted to 2.8 billion dollars or 14.2 percent of GDP, compared with 2.6 billion dollars in 1982 or 13.9 percent of GDP.

"The overall fiscal deficit was largely the result of a 5.0 percent decline in government revenues attributable to adverse developments in the petroleum sector," said the report. "The deficit reflected the continuing decline of the government's budgetary position first evidenced by a small overall deficit in 1979 and more firmly established in 1982 when a deficit of 2.6 billion dollars ... was recorded."

The Central Bank said, however, that though the relative size of the overall deficit as a share of GDP had "stabilised" (13.9 percent in 1982 and 14.2 percent in 1983), the emergence of a deficit of 14.5 million dollars on recurrent account was "disturbing." "A recurrent account deficit cannot be sustained especially with past savings having been largely drawn down," it said.

Revenue from the oil sector declined by 26.5 percent in 1983 to 2.4 billion dollars from 3.2 billion dollars in 1982. The bank said the increase in non-oil revenue was "not adequate to compensate for (the) large loss of oil revenue," with the result that total government revenues fell from 6.8 billion dollars in 1982 to 6.4 billion dollars last year.

Last year was also marked by a tightening liquidity situation, rising interest rates, a 16.7 percent rise in consumer prices, a 1 percent increase in unemployment, and declines in agriculture and construction. Foreign reserves also declined "significantly," said the Central Bank, when Trinidad and Tobago recorded a 2.1 billion dollar or 30 percent drop to reach 4.9 billion dollars at the end of last year.

Despite the negative picture caused by the "marked deterioration" of the oil sectors performance and the "sharp reversal" of the trend in GDP growth, the Central Bank said it saw "a few encouraging signs" in the economy. These "encouraging signs" were seen in evidence that the rate of production decline in the oil sector had slowed and was "in fact bottoming out."

The bank noted that fertiliser production and exports were "considerably higher than in the previous year" as was the production of iron and steel "though capacity utilisation in (steel) remains quite low." Within the manufacturing sector, there was "strong growth" in cement production, motor vehicle assembly and food processing.

The bank said domestic agriculture continued to evince signs of growth in areas such as milk and meat production.

The national debt outstanding rose by 476 million dollars in 1983 to 2.5 billion dollars or 12.8 percent of GDP, with the internal debt increasing from 760 million dollars to 1 billion dollars, and the external debt increasing from 1.3 billion to 1.5 billion dollars, the Central Bank disclosed. As a result, the proportion of internal debt to total outstanding debt rose to 40 percent from 36.2 percent in 1982, the report said.

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## CENTRAL BANK SAYS DEBT ROSE IN 1983

FL072258 Bridgetown CANA in English 1919 GMT 7 May 84

[Text] Port of Spain, Trinidad, 7 May CANA--Trinidad and Tobago's national debt rose by 476.7 million dollars (1 TT dollar; 41 cents U.S.) last year to 2.5 billion dollars or 12.8 percent of the country's gross domestic product (GDP), the Central Bank has reported here.

According to the bank's 1983 annual report the larger part of the increase was in the twin-island states internal debt which rose from 760.4 million dollars in 1982 to 1.02 billion dollars in 1983.

The external debt increased from from 1.3 billion dollars to 1.5 billion dollars.

"As a result, the proportion of internal debt to total outstanding debt rose to 40 percent from 36.2 percent in 1982," said the Central Bank.

It added that in respect of external debt, two new U.S. dollar loans of 288 million and 120 million dollars were raised through syndications with large numbers of participating banks.

In addition, the Central Bank said government made "further drawdowns" of 81.6 million dollars and 8.3 million dollars respectively, from loan facilities established in previous years to finance its medical complex at Mount Hope--7 miles east of here and the expansion of its cement plant in South Trinidad.

However, repayments of 289.9 million dollars, including the redemption of privately-issued Deutsche mark and Swiss franc bonds originally placed in 1978, restricted the increase in external debt to 208.1 million dollars.

"External debt operations in 1983 underscored the government's increasing reliance on commercial sources with the consequential shortening maturity profile of the external debt," the bank said.

It noted that at the end of 1983, 68.5 percent of external debt was held by commercial lenders as compared with 59.8 percent in 1982.

The proportion of medium term external debt increased from 79.3 percent in 1982 to 83 percent in 1983. According to the report, long term, non-market loans (including export credits) comprised only 9.8 percent of the external debt at the end of the year.